

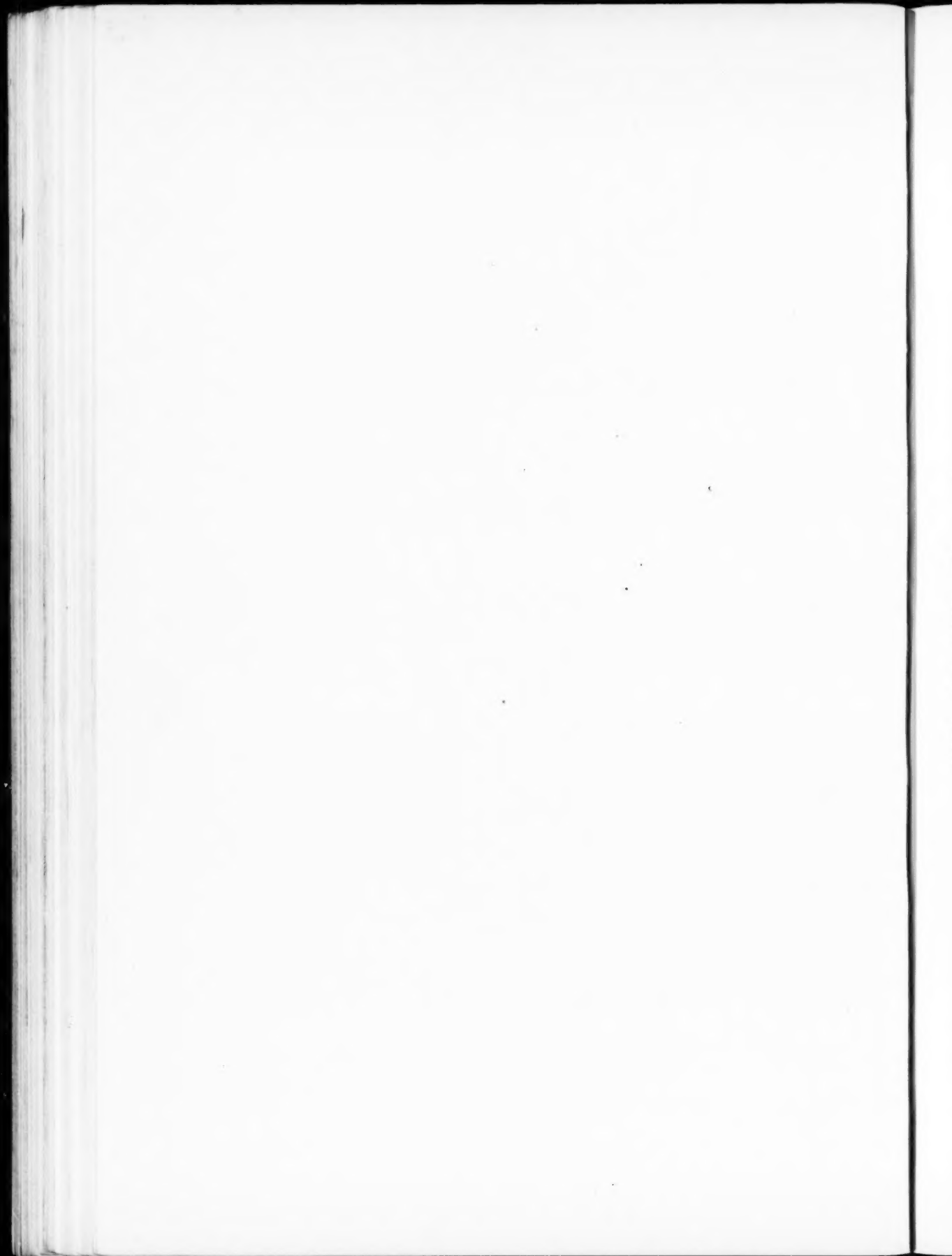


*Economic
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THE UNIVERSITY OF CHICAGO

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in Economic Development and Cultural Change



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ECONOMIC DEVELOPMENT AND CULTURAL CHANGE

A journal designed for exploratory discussion of the problems of economic and cultural change. Preliminary versions of research findings and research hypotheses are welcomed in the interest of provoking constructive and fruitful discussion.

R. Richard Wohl, Editor

Volume II, Number 3

October 1953

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CONTRASTING FACTORS IN THE MODERNIZATION OF CHINA AND JAPAN*

I. Statement of the Problem

This paper is concerned with strategic necessary but not sufficient conditions for Japan's apparent success in the relatively rapid and peaceful conversion from a markedly non-industrialized to a relatively highly industrialized society in so far as those conditions are to be found in the social structure of Japan and the new forces brought to bear on Japan.

II. Method

The method used has been that of a comparative presentation of the cases of China and Japan. This has been done because I have felt that the presentation of those features of China that were similar to those of Japan or offered China even greater advantages in the process would highlight and clarify those factors strategic in the case of Japan. The material presented in both cases has been deliberately oversimplified, particularly in the case of Japan. This has been done for three reasons. In the first place space does not permit of a full dress elaboration of the interrelationships touched upon with accurate qualifications of them even in so far as such material is already available. In the second place, such a presentation would require a fairly elaborate presentation of concepts developed for that purpose. That would be out of place here. In the third place, the very oversimplification of the hypotheses presented here should make it easier to prove them — or to disprove them and go on to more adequate formulations. I do not think that the oversimplification used invalidates the hypotheses presented here, though more extended treatment would certainly replace with differences in degree some of the things that I have tended to present as differences of kind in order to communicate the point intended. Again for reasons of space in part, and in part because of the stage of my research in this field, documentation has not been presented nor have some ticklish interpretations presented been argued pro and con. What is presented here is intended as a set of hypotheses bearing on the problem concerned and stimulating more accurate and satisfactory propositions than they themselves.

III. Conclusions

The following hypotheses are presented:

- 1) It was not differences in the new forces introduced in China and Japan that accounted for their different experiences in industrialization. It was rather differences in the social structures into which these new forces were introduced.
- 2) Differences in "non-social" factors such as raw material resources, etc. do not account for the differences. In so far as they are relevant they would indicate an outcome opposite to that which occurred.
- 3) One strategic factor in Japan's industrialization was the fact that the

* This paper was originally delivered at the Conference on Economic Growth in Selected Countries, April 2-26, 1952, sponsored by the Committee on Economic Growth of the Social Science Research Council.

basis from which change took place in Japan was such that the transition did not undercut the system of control over deviance or the possibility of highly controlled direction of the members of the society as was the case in China.

4) There existed in Japan a group of individuals relatively easily converted particularly to the planning and administrative roles required by the conversion.

5) There existed a possibility of eliminating without internal breakdown the influence of those individuals not relatively well-adapted to make the changes required by the conversion.

I. Introduction

This paper is a special instance of the general problem of the industrialization of relatively non-industrialized areas. For that problem the experience of Japan is strategic because of Japan's conspicuous "success" in the actual use of modern industry. Whatever other implications this use may have had for Japan's fate in modern history, few would deny that as far as the adaptation of such techniques of production and distribution are concerned, Japan's "success" has been approached or surpassed by only two other late-comers to industrialization, Russia and Germany. The problem of Japan's development is treated here by contrast with that of China. This has been done because of the great dissimilarity in the outcome of their experiences despite the fact that the prospect for China was immensely more promising than that of Japan with regard to most of the factors generally considered strategic for these purposes. Furthermore certain similarities between China and Japan prior to their experiences with modern industry have tended to obscure the extremely general differences in their social structures that may be relevant as an explanation of their different experiences.

The material presented here is not presented as definitive. The material on China is taken from or based on my three previous attempts to treat of these problems relative to China.¹ The material on Japan consists of a set of hypotheses about the factors present there and their implications. These hypotheses along with others are currently being studied as parts of a general analysis of Japanese social structure which constitutes my present research interest. No attempt will be made here to document these hypotheses in any detail. They are presented for whatever light they or their refutation by the data may throw on the problem to which we address ourselves.

II. The Stages of the Analysis

Any problem of social change is a problem in comparative social analysis. Three stages must be distinguished either explicitly or implicitly. First one must distinguish the basis from which change takes place, the initial stage. Second, one must distinguish the stage during which the change takes place, the transitional stage. Third one must distinguish the stage of the system when the change studied is considered completed for the purposes of the problem in hand, the resultant stage. It should go without saying that there is always an arbitrary element in the distinction of these stages since the process

(1) The Family Revolution in Modern China, Harvard Univ. Press, Cambridge, 1949; Some Problems of Modernization in China, Institute of Pacific Relations, New York, 1949; and Part I of The Rise of the Modern Chinese Business Class, by Shih Kuo-Heng and myself, Institute of Pacific Relations, New York, 1949.

of change in some respects is ubiquitous in all empirical systems. The test of whether or not one has chosen one's stages well rests on whether or not those distinguished have been useful in the generation of tenable hypotheses relevant to the problem attacked.²

For any problem of social change one must either explicitly or implicitly have data or hypotheses of some sort on at least two of these stages. Given knowledge of the initial stage and the transitional one, predictions can be made about the resultant one. Given knowledge about the initial one and the resultant one, hypotheses can be erected about the transitional stage and so forth.

In the case of China and Japan the initial stages distinguished are both relatively little industrialized. A system for present purposes will be considered more or less industrialized to the extent that its system of allocation of goods and services (including in that allocation both consumption and production) involves tools that multiply or magnify in whatever complex way the effect of the human energy involved in their use and to the extent that inanimate sources of power are applied. In this sense of the term there are elements of industrialization in the initial stages of both China and Japan as those stages are distinguished here — and probably in any society. But these elements are certainly small by comparison with those involved in "modern Western" nations such as the United States, Great Britain and Germany. They are also small by comparison with the elements involved in Japan of the 1930 period. It is in this sense that the initial stages of China and Japan distinguished here are spoken of as non-industrialized or relatively little industrialized.

The period of Chinese society that will be considered its initial stage is that period of the Ch'ing Dynasty in the middle and latter part of the eighteenth century. The period of Japanese society that will be considered its initial stage is that of the reign of the Shogun Iyemitsu (1623-1651). These stages will be referred to respectively as "traditional" China and "traditional" Japan. In both cases there are no doubt many elements of social structure for which an authentic pedigree can be traced further back in the history of the societies concerned. Here, however, we are concerned with the character of the initial stages and not with their origins.

These two particular stages have been chosen for present purposes in order to accent two sources of change in the societies. The first has to do with sources that were indigenous to the societies concerned. The second has to do with the sources of change that came from social systems outside the two societies considered. In the two countries the internal sources of change were markedly different, but the external sources of change were identical. In the case of China the internal sources had to do with the breakdown of the Imperial Bureaucracy. This was a breakdown of a sort that had been seen in many of its facets in the history of previous Chinese dynasties. In the case of Japan the internal sources of change had to do with the breakdown of a feudal³ social system — a breakdown in which a major role was played by the changing actual role of the merchants in the society. In both China and Japan the

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- (2) For a more extended treatment of social change from which these concepts are taken see: Marion J. Levy, Jr., *The Structure of Society*, Princeton University Press; Princeton, 1952, esp. pp. 71-76, 140-148.
 - (3) The term feudal is here applied to social systems with the following characteristics: a) closed social classes, b) a well-defined hierarchy of power-holders, c) identification, at least ideally speaking, of each individual as

external sources were virtually identical. They were the factors involved in modern industrialization. Neither China nor Japan was responsible for the development of the highly industrialized social systems that provided the factors that were the external sources of change in both cases. If the changes described in both cases as internal sources are in fact internal sources of change, then it follows that these internal sources are themselves products of the operation of the systems that have been referred to as the initial stages of the societies concerned. This in turn argues that whatever differences we may find between China and Japan with respect to their resultant stages must be primarily a result of their differences in their initial stages. This would follow in so far as it is in fact true that their external sources of change were identical and their internal sources of change were different. Their resultant stages can only be a result of the impact of their internal and external sources of change on the social bases from which change took place. The internal sources of change can only be a result of the developments of that same initial stage. In this particular case therefore the differences in the resultant stage would seem to be primarily a result of the different initial stages into which the external factors were introduced.

III. The Problem of Change in China

A. The initial stage.

Perhaps the most significant feature of "traditional" China for present purposes is the fact that it was "family oriented" to an overwhelming degree.⁴ This society was overwhelmingly "family oriented" in the sense that ideally speaking it was expected that decisions be made primarily with reference to family interests. In the ordinary course of events the crucial question for decisions was, "How will this affect my family?" When family interests were in conflict with those of other groups in which individuals participated, family interests were to take precedence. The individual owed loyalty first, last, and always to his family. This was true even in a conflict between an individual and the Imperial Bureaucracy. Crimes of violence against the Imperial Family itself were sometimes forgiven if they were committed to avenge wrongs to one's family. Conversely, of course, in recognition of the virtual obligation of such vendettas, the entire family of a man was sometimes wiped out to prevent attempts at revenge by family members other than the person directly guilty of the act calling for punishment. The whole Confucian theory of order rested in considerable part on the theory that, if family members were so well imbued with filial piety that they would never consider informing on one another, the individual members could not possibly be the sort of people who would, as individuals, commit improper acts.

There were several organizations that brought pressure to bear on family groups and limited the extremes to which the individual might go in sacrificing the interests of others to the interests of his family. Especially note-

responsible to some particular individual higher than himself in the hierarchy and related to others outside of that direct line by virtue of his overlord's relations to them, and d) a distribution of goods and services, most especially land ownership and control, primarily on the basis of the ranks distinguished in the hierarchy of power and responsibility.

- (4) Only the sketchiest outline of points about "traditional" China will be given here. Greater elaboration of the points stressed here may be found in the sources noted in footnote 1 above.

worthy in these respects were such organizations as the neighborhood councils and the guilds. Even in these, however, pressure was often brought in family terms. The individual was constrained in effect by the threat that the would achieve only the short run interest of his family — that in the long run his acts would so unite other families against him as to bring about its downfall. In such organizations families were represented by family heads, and pressure on individuals was usually brought to bear through the family head, rather than directly.

The family in "traditional" China was not only the overriding focus for individual loyalties in the ideal case. It was also the basic unit in terms of which the economic aspects of life were carried out. The average Chinese family, and that means the ordinary peasant family in "traditional" China, was self-sufficient in both production and consumption to a degree that it is difficult for persons from highly industrialized societies to understand. They produced most of what they consumed and consumed most of what they produced, ideally speaking. When substantial goods and services had to be purchased from the outside, the situation was considered unfortunate, and when substantial payments in the form of rent, taxes, interest, and payment for consumption had to be made, that too was considered unfortunate. Even in gentry families in which such self-sufficiency obviously did not exist, their dependency on non-family members as producers was minimized, at least ostensibly, by the use of servants who were often quasi-family members and by cutting to a minimum the number of family members through whom these outside contacts were made.

Finally, the family was the basic unit in terms of which the allocation of power and responsibility took place. It has already been suggested above that the individual was controlled primarily through pressure brought to bear on him by the family head. The average Chinese had most of his contacts with family members. The hierarchy of power and responsibility with which he was most familiar was that of his own family. In so far as he participated in groups outside his family group, these were likely to be organized on a pseudo-family basis, or he was likely to be controlled, in so far as he was controlled, on the basis of the implications of his deviance for the fortunes of his family.

There were, of course, organizations of considerable importance for Chinese society apart from the family organization. These often required decisions that were not in accordance with those that might have been made by unbridled family "self-interest." Most notable among these was perhaps the Imperial Bureaucracy. "Traditional" Chinese society was dependent in many respects upon some highly organized administrative machinery. This dependence was particularly marked with regard to problems centering about irrigation, but in most of the dynasties, whatever were the reasons, the production of certain strategic goods and services (e.g., certain metals, salt, communications, etc.) were also handled on this basis. The equipment and organization involved required considerable talent to devise, but they were also subject to extremely low rates of obsolescence, and apparently also to relatively slow rates of decay. This is true at least by comparison with the situation in a highly industrialized system in which the attention to equipment and organization must be unremitting in a sense and to a degree unnecessary in the Chinese case.

When the bureaucracy was working as it was "supposed to," individual family interests were rigidly ruled out. Nepotism in recruitment was banished by a most carefully worked out examination system. During one's service in the organization every attempt was made to remove temptation for putting one's family interests above one's duties to the state. But no attempt was made

to teach the members that such family interferences were bad. It was the responsibility of the system to insulate the individual from such pressures by properly conducted examinations, by refusing permission to serve in one's home area, and the like. The attempts to insulate the individual always broke down in many cases through the years, and no long run attempt was made to convert the individuals recruited for the service to a point of view that subordinated the family. The dynastic cycle in China for some two thousand years saw a continual breakdown and renovation of the Imperial Bureaucracy. Any attempt at conversion as opposed to insulation would probably have been extremely difficult. It would have involved a radical departure from the tenets held good and true throughout the rest of the society and would have undercut many of the other aspects of the bureaucracy itself. Whatever the alternatives may have been, as it existed, the Imperial Bureaucracy did not provide an organization that took precedence over the family, ideally speaking, for the individual member of the society. The underlying theory of government was that a proper government could not be unjust to any family, that no filial son could have reason therefore for not obeying the government. A good family man could not be other than a good citizen.

Friendship groups of various kinds and degrees tempered family relationships, but here again in case of clear contradiction between the interests of one's family and one's friends, the family interests, at least ideally speaking, took precedence. The overwhelming significance of the family as a center of attention in the society was demonstrated in other ways than this matter of precedence, however. In membership groups outside the family the terminology of kinship was likely to be applied, particularly if the relationships involved were considered to be extremely close and binding. Close friends were likely to be referred to as "older brother," teachers assumed a role likened to that of "father" or "father's elder brother" relative to their students. Thus quite apart from the precedence taken by the family in case of conflicts, in the ordinary course of these relationships outside the family, family solidarities were continually being called to mind, simulated, and reinforced.

Organizations like the neighborhood ruling councils, the guilds, etc. have already been mentioned above. They often operated in such a way as to limit the pursuit of family self-interest, but as has been pointed out above, they operated frequently through the use of family pressures. The strong emphasis on continued family residence in a single locale enhanced this possibility in the case of the neighborhood groups, and the tendency of apprenticeships, particularly in the more lucrative fields dominated by the guilds, to be given on highly nepotistic bases enhanced this possibility in that field. The use of the family as the vehicle of governmental control as exemplified in the pao-chia system is too obvious to require further mention. But in these respects again the family priority was made clear in other ways. Here too there was the transfer of kinship terms to non-kinship relations. But the matter was highlighted by what happened when the patterns in these areas did not work out as they would have under conditions generally considered ideal in that society. When, for example, a given family in a neighborhood became so powerful that pressure could not be successfully exerted on it by the threat of its long run disadvantage, family "self-interest" did take precedence over the neighborhood council, or more properly the neighborhood council came to be completely dominated by the members of that powerful family. When this happened, the interests of other families in the area were preserved only if their abrogation served no useful purpose for the family in power or if the family head of the family in power were a benevolent despot in the area and took an essentially paternal attitude toward those over whom he could in fact have exerted power.

The comparison of China and Japan in these and in other respects has often been confused by the use of the term "feudal" to denote both of these social systems. This can, of course, be done legitimately depending on one's definition of the term. But its use in this connection has, perhaps, on the whole been more misleading than any other single term used in discussions of the industrialization of non-industrialized areas. If the term is used to mean that from the point of view of the observer, the peasant had a difficult time of it in both societies, that individuals were not treated "democratically," that there was a great gulf between the "haves" and the "have nots," that most people made their livelihood from agrarian pursuits, that many of the "haves" lived on income secured by virtue of ownership of land, etc., then both cases may be described as "feudal." But the connotations of the term "feudal" include as a minimum the factors listed above⁵ as the defining elements in the term. Unless the term is redefined by the user, these connotations go along with it, and the term is not usually redefined. In the sense of the term "feudal" as defined explicitly above, "traditional" China was decidedly non-feudal; in this sense China has not been truly feudal for the last two thousand years. In this sense Tokugawa Japan was feudal. It is the hypothesis here that the structural differences involved in this distinction are of primary importance in understanding the different experiences that these two systems have had with industrialization. This is not logomachy. It has very practical implications. If in fact the basis from which change is taking place today in China were feudal in the sense of that term as defined here, then China would present very different possibilities and probabilities of change than in fact seem to be present.

"Traditional" China did not contain a closed class system. It is true that the paths of social mobility were frequently badly clogged, but it is doubtful that they were actually ever completely closed during the last two thousand years of Chinese history, and certainly they were never ideally closed during that time.⁶ It is true that some groups were at least in theory excluded from social mobility by excluding their members from admission to the examinations, i.e., to the path par excellence of mobility upwards in that society. But the vast mass of the population was never so excluded. Ideally speaking a peasant family could always climb to the top of the tree if it could produce and educate a son of great talent.

The ideal type family in "traditional" China was the gentry type family. There was in fact mobility upwards, and there was also mobility downwards. Peasant sons did rise to the top of the bureaucracy. Wealthy gentry families not only lost their wealth and power in many instances, but they often returned to the status of peasant families or worse. In societies like those of medieval Europe and Tokugawa Japan, peasants were expected to remain peasants and nobles to remain nobles. Wealthy peasants were not nobles, and poor nobles were not peasants. The expectations, both ideal and actual, of every member of those societies were that one and one's family would retain forever the class status into which one was born. However much the actual expectation may have been of a similar sort in China, the ideal expectation was not of this order. It is extremely doubtful that the actual closure of class membership in "traditional" China ever approached that of Tokugawa Japan, but even if it did, their differences in ideal patterns in these respects mark them as animals of a different species. There are few points about which we may feel certain in the social sciences, but the importance for understanding social phenomena of the distinction between ideal and actual patterns is one of them. In comparing so-

(5) See above footnote 3.

cial systems, the presence of similar actual patterns but different ideal patterns in a given sphere cannot be without structural implications, of either a static or a dynamic sort. To the extent that this is so, even if one were to grant that the actual class closure in "traditional" China approached that of Tokugawa Japan, an admission by no means certainly justified on empirical grounds, the differences in their ideal patterns in these respects might still be of strategic importance in their respective problems of industrialization.

The allocation of power and responsibility in "traditional" China was also quite different from that involved in a feudal society. It is true that there existed a relatively well-defined hierarchy of power holders, but this situation existed only in so far as each individual responded to the expected family controls and the relations among different families remained in equilibrium. In time of upset, change, or crisis one owed loyalty first to one's family and only secondarily to the power-responsibility hierarchy outside the family. When new situations arose, the family head decided whether he and the other members of the family would go along with orders from outside the family or not. When the individual was not in a position to decide such a question on the basis of family interests (either because of separation from or loss of his family members), he was in a position of "individualism by default." He would under such conditions go along with the rules of magistrates or princes or whatever if he felt his interests coincided with theirs or if he felt that the force at their command was such that he had no alternative.

Within the family the hierarchy of power and responsibility was clear-cut ideally speaking, but the position of a given family relative to other families and to organizations other than families was subject to considerable shifts. Hence the third condition of the definition of feudal given above (i.e., the identification, at least individually speaking, of each individual as responsible to some particular individual higher than himself in the hierarchy and related to others outside of that direct line by virtue of his overlord's relation to them. . .) was not met. The orientation of the family head was not first, last, and always to someone over him in the general social hierarchy of power and responsibility, but rather was owed to the organization of which he was the head. His loyalty and submission to others outside that organization was ideally speaking primarily instrumental for the welfare of the organization that he headed. It was generally to be expected that he be ruthlessly rational in seeking to maximize that welfare. Last, but not least, if he could maximize the welfare of his own family at the expense of others in the society, the responsibility was not considered his but rather that of the sovereign. The right to transfer allegiance from the reigning sovereign was built into the Chinese social system in an interesting fashion. As long as everything went well in terms of the values of that society, the sovereign was conceived to have and to rule in the name of the Will of Heaven, but when this was not so, he no longer held the Will of Heaven, and correspondingly he no longer had the right to rule or the right to the loyalty of his subjects. Revolts were *prima facie* evidence that something was wrong and something for which the sovereign was responsible. A successful revolt was final proof of the fact. This concern was focused on what, from an outsider's point of view, often seem minute details. Suicide was considered a terrible thing by the Chinese as by many people, but in China a suicide was indicative of the fact that something was radically wrong in the realm. Local officials had to look into the matter, and at least in theory a report of the full investigation had to be presented directly to the Emperor himself. The matter had its positive side as well. Acts that indicated that things were going well had also to be recognized by the sovereign, and so, for example, the countryside was studded with memorial arches

set up by the Emperor to commemorate a particularly well preserved widow-hood or the like.

It would be beside the point here to go into detail about the many ways in which these factors were interrelated with other aspects of the social system, or the roles they played both in adapting the system to its setting and in mal-adapting it to that setting. Actually under the circumstances it made for a system of control which was characterized by relatively long periods of stability and of gradual disintegration and which tended to be restored after a period of decay in a renovated rather than a revolutionized form. What is important from the present point of view is that it was a system of control that was peculiarly vulnerable to certain types of changes, that these changes, if introduced rapidly, could result in rather dramatic disintegration of control. The keystone of social structure in these respects was the family structure. For roughly two thousand years family structure does not seem to have been radically altered in these respects, and no genuine alternative was offered for it. But in the nineteenth and twentieth centuries there were forces elsewhere in the world that impinged on China and undercut the "traditional" family structure.

Turning for a moment from these problems of control, the special situation of the merchants in "traditional" China must be considered. Ideally speaking the merchants held roles of extremely low prestige in "traditional" China. They were ranked well below the peasants who were, of course, ranked well below the gentry. There were even periods in which attempts were made to make a closed class of the merchants by forbidding them or their sons or grandsons from taking the Imperial Examinations. For reasons that need not detain us here, these attempts were never successful in the long run. In actuality the merchants who were successful as merchants frequently became powerful politically and prestigious socially despite the ideal patterns of the society to the contrary. This sort of violation of the ideal patterns of a society should not seem strange to Westerners who are really quite familiar with the phenomena in the form of racketeers and the like controlling local and even state governments, amassing fortunes through corruption, escaping the punishment ideally decreed for such activities, and eventually in some cases becoming highly respected members of their communities. If one reads the documents expressing the ideals of the members of "traditional" Chinese society, or questions extremely conservative members of the area even today, one comes away with a picture of merchants as the lowest of the low, a picture quite at variance with their obvious affluence and power at many times in Chinese history. But again this discrepancy between ideal and actual patterns is of great importance for understanding the social phenomena of modern Chinese history.

It is probably true that the merchants in "traditional" China tended to be rather more emancipated from the traditional features of their social environment than were Chinese in the roles of gentry, peasants, artisans, etc. This is probably one of the reasons that attempts were made to restrict their power and influence. By and large the merchants made their fortunes by trading rather than production. As such, unlike the other members of the society, the self-sufficiency of their families was minimal. They produced neither what they sold nor what they consumed. Their contacts with persons outside their own family groups were therefore broader than those of most of the members of their society. They saw more of China and of other lands, as well as of people drawn from wider backgrounds. One would expect that these people with their greater perspective, their commercialism, and the like would have been the ideal people to break new ground when industrial influences were first felt,

that they would convert easily to the roles played by members of the "middle class" in modern Western societies such as England and the United States. But this does not turn out to have been the case, and at least some of the explanation of this would seem to lie in the factors already mentioned.

Often when there are discrepancies between the ideal and actual roles of individuals, the pressure placed on those actually holding high positions to acquire the ideal ones as well is enormous. Many of the rising bourgeois in England sought to become landed gentry there. Many racketeers and political bosses in the United States seek to become businessmen. Often the transition is spread out over several generations. In "traditional" China prestige par excellence lay in the roles of the gentry. The gentry were expected to depend for income on the perquisites of political office and the absentee ownership of land. The most aristocratic circles in the Western world have not for many, many decades denigrated the stain of participating in "trade" to the extent common even to the present day in China. The successful merchant, like all other Chinese was under great pressure to secure the future of his family. This called for an education of some directed to their entry into the bureaucracy, and hence a classical Chinese education, and the investment of capital in land rather than its continued reinvestment in the business. This investment of profits in land was further reinforced by the almost shady status of trade and hence its vulnerability to exploitation by the scholar officials who held political office. This exploitation could be prevented only by being able to buy and control officials or by having in positions of power officials with whom one had strong personal relations, preferably kinship ones in that society. Land ownership, the major economic basis of the gentry was also vulnerable to the pressures of the officials, but by virtue of its eminently respectable status and by virtue of the fact that an official threatening the income from absentee ownership of land simultaneously threatened all of the gentry in his area, income from land was not nearly so vulnerable in these respects as were both the income from and capital invested in commercial pursuits.

There were other factors than these involved, but these alone will suffice to indicate that there was a considerable source of motivation for a flight of both talent and capital from the merchant role. A merchant who got his sons a classical education, invested in land, and terminated his involvement in trade laid a firm foundation for gentry status for his family in the future. If he got a son or another relative into the bureaucracy, he established thereby connections that increased his security from exploitation. The emphasis on talent in the bureaucracy, even at its most corrupt, increased the motivation for sending the ablest of one's sons or male relatives into these roles rather than into merchant roles. These factors, combined with the open class structure of "traditional" Chinese society even as regards the merchants, made of the merchant role a transitory social status both ideally and actually. Merchant roles, if successful in a monetary sense, enabled one to accumulate the economic base necessary to guarantee, or make possible, gentry status for one's family in the future. The more a given merchant in fact followed such a path, the more successful he was adjudged by others in the society. A merchant was most fully successful to the extent that he and his ceased to be merchants and were enabled to do so by virtue of his commercial successes.

In this general background of "traditional" China, for which only some of the more strategic features for the present problem have been touched upon, there were several sources of stress and containment of stress that must be noted here. The factors of stress in this society have often been overlooked by the more romantic writings in this field. The writers are not altogether to blame in this regard. The errors here have arisen largely from a presen-

tation of the ideal rather than the actual picture of the facts of social life in China and from focusing attention on some phases of the life history of individuals to the exclusion of others. For example, the picture generally given of the "traditional" Chinese family is a picture of the ideal gentry type of family. This ideal type was often approximated among the gentry, but the same type of family was also the ideal type for the peasants and others in the society. These latter, however, did not approximate the family type they held to be an ideal. The misunderstanding is not hard to acquire for Chinese not approximating this ideal type will nevertheless unhesitatingly describe it as the type characteristic of all Chinese. When the discrepancy between their picture and the facts is pointed out, they will usually reply that of course they and their neighbors are poor and hence are unable to live in the "true Chinese style."

An example of the second source of error mentioned above is to be found in the frequent treatment of the role of women as "secure" by contrast with the uncertainties facing women in modern Western societies. However tenable this may be as a comparative statement, it gives a misleading view of the position of Chinese women. At some stages of their lives they have indeed a large measure of security, but at others they are to a rather remarkable degree in positions of considerable stress. One of the most intriguing aspects about "traditional" Chinese social structure is that virtually every individual in the society went through periods of great social stress, but could in terms of the ideal patterns at least, and to a high degree in terms of the actual patterns as well, look forward to stages of greatly reduced stress. Males, for example, had a rather strenuous time of it as youths being prepared by their fathers to be able to fulfill the roles essential for the perpetuation of the family. When they reached the stage of family heads, which they frequently did when they were married and had children of their own, these stresses were removed, if they had not been either removed or adjusted to prior to that time. Women were highly insecure as youngsters growing up in their parental families if economic conditions were difficult, because relative to their brothers they were marginal members of the family, especially as regards the future of the family. In good times or bad, however, a woman was subjected to very considerable stress when she married and assumed the role of daughter-in-law in her husband's family. When she attained the role of mother-in-law relative to her sons' wives, she was as much relieved from stress as was possible for a woman in that society, assuming of course that her husband's family as a whole was not in a particularly bad way when she reached that role.

Some of the most fundamental sources of stress in "traditional" Chinese society were concentrated within the strongest unit of solidarity of that society, i.e., the family. There is not time to go into these sources in detail, but short of a theory holding the Chinese to be inherently masochistic, notable stresses must be granted as the result of relations between fathers and sons, mothers-in-law and daughters-in-law, and men and women. Less notable ones perhaps resulted from certain relations among brothers, brothers and sisters, women in the family apart from the specific roles already mentioned, etc. Suffice it to say that there is good reason to believe that there were sources enough for motivation to defy, desert, or modify the family patterns if opportunities to do so presented themselves.

There were many other notable sources of stress in the society. General economic conditions were close to a subsistence minimum for a large proportion of the members of the society in the best of times. In times of crop failures, despotic officials, and the like, whatever margin existed could easily be and was often wiped out. Relations between the townsmen and the villagers

were an important source of difficulty. Those whom the peasants often regarded as exploiters (i.e., landlords, usurers, officials, merchants, etc.) were typically town dwellers. The economic structure of "traditional" China was one in which the townsmen were supported by goods and services from both the towns and the villages, but the villagers were supported almost entirely by what they produced alone. The village economy was the keystone of the whole economy, but as far as most of the villagers were concerned the flow of goods and services was a one-way affair. When times were difficult, the townsmen were likely to be regarded as the source of difficulties by the villagers whether this was in fact justified or not.

Another source of stress in the society was, of course, the breakdown of the bureaucratic system. The insulation of that system from the family pressures on which the society was based was not in fact effective for long. Graft and corruption grew as the dynasties went their course, and this was no less true of the Ch'ing than of the others. As the system decayed, the irrigation and communications systems also decayed. This had its implications in lowered productivity. More and more of a premium was placed on the officials squeezing all they could from whomever they could get hold of. Taxes were often collected years in advance. Combinations of officials and merchants preyed on the peasants in many ways. In regions in which official power declined powerful families were often able to become the effective governing force in the area and exploit the rest of the population there. A popular saying in China held that it was better to live in a tiger infested area than in one ruled by a bad government, and it is not without significance that the district magistrate's yamen was known frequently as a "tiger's mouth."

Despite these sources of stress and strain, the structure of "traditional" Chinese society seems to have been a remarkably stable arrangement for a non-industrial society of the scale encompassed. Most of the patterns here referred to as "traditional" seem to have a pedigree of nearly two thousand years. During this long period a typical dynastic cycle of decay, chaos, refurbishment of the system, and then decay again went on. The cycle generally took about three hundred years. But even at its best the system contained many strains. It is an hypothesis of the present paper that the structure had built into it a very potent method of containing these strains. The family stresses in particular were contained by the fact that the possibilities for alternative employment for rebels were so restricted. As noted above, people were hired primarily on the basis of who they were, and the primary criterion of who a person was depended on his family status. A rebel from the family cut himself or herself off from this source of identification, and in doing so he or she was virtually certain to break the major ethical tenet of the society and to sin against filial piety. No respectable employer wanted such a person. The jobs open were those of extremely low status and jobs in which life was very likely to be "poor, nasty, brutish, and short." There were rebels, of course, but they were rather effectively disposed of by the opportunities open to them, and those who avoided these fates and who prospered were usually at some pains to disguise the fact that they had ever been rebels.

There were more positive sources of containment too. Each family head was emancipated from direct responsibility to other members of his family, but he was responsible to the ancestors for the welfare of the family. In so far as he continued sincere in these devotions, he was likely to try to prevent such stresses from getting out of hand. Nevertheless, it is hardly likely that this positive obligation did more than modify the extremity of these stresses.

Relative to the more general stresses in the society mentioned above, the

overwhelming tendency for redress was via a refurbishment of the system rather than by revolutionary change. In the first place, the system, when relatively devoid of graft and corruption, was probably as effective and well-balanced a system of organizing and controlling a large scale highly decentralized system as the world has ever seen. This was particularly so since the units of the system were capable of such a high degree of economic self-sufficiency and hence, with the technologies available, so difficult to control in detail by a highly centralized governmental organization. In the second place, the relatively slow disintegration of the dynasties, gave the people a relatively prosperous period to look back on. The lack of basic structural changes either from within or without the system tended in this context to focus attention on reform of the system and return thereby to things as "they should be" rather than on radical change of the system. This tendency was further reinforced by virtue of the fact that the intellectual and ethical authorities revered by the members of the system were well aware of such breakdowns and had counseled dealing with them via renovation.

B. The transitional stage.

There were two sources of change in the transitional period of modern China, and indeed they continue to operate today. The resultant stage of China is phrased negatively for present purposes — China has not made much headway with industrialization. Those sources were on the one hand the disintegration of the typical patterns of "traditional" China, particularly those having to do with the Imperial Bureaucracy, and on the other those new forces that were introduced to China with the introduction from the West of social patterns pertaining to modern industrialization. The factors involved in the first have already been touched on above and are in general too familiar to require extended comment here. They involve the tremendous increase in graft and corruption in government to the point of virtual governmental impotence. In China the Ch'ing rulers fell and were replaced by a republic in name. This latter made a start in the direction of reform, but it had more to cope with than had past reformers. It had to cope with the sources of disintegration added by the new forces, and it did not succeed. The new forces precluded at least temporarily the return to the old situation, and the heritage of the old situation made the successful establishment of the new especially difficult — at least sufficiently so that none of the modern rulers of China have succeeded in coping with the situation in terms of the new forces. Certainly the Nationalist regime did not, and the Communist regime has not yet shown that it can do so.⁶

In so far as both China and Japan sought to industrialize (and one can make a good case for the fact that neither had much alternative given the general world situation), they were faced with certain common problems. They had with regard to industrialization certain advantages and certain disadvantages over those countries in which the development of industrialization in the modern sense was indigenous. Both countries had the advantage of starting with the latest available technological equipment without having to go through the process of developing the equipment with all the implications of that process for the cost of obsolete equipment. Both were in a position to take advantage of the lessons in terms of management and the like that Western countries had learned through costly experience. Finally both countries were in a position

(6) As regards the latter, there are indications that the fate of the former awaits it with relatively slight modifications unless it is able to find and adopt techniques quite at variance with present policies, but there is not time or space to go into that matter here.

to use labor at much cheaper rates than were available to industry in the West. Each had considerable disadvantages as well. The stage at which they encountered industrialization required that the scale of modernization be relatively large, and the longer industrialization was delayed (as in the case of China) the greater was this problem. By the time each came to the process of industrialization, the type of capital equipment required was such that ready conversion of the prevailing economic resources into that form of capital was not nearly so easy as it had been in the West in the countries in which industrialization developed slowly over a relatively long period. In those western countries the transitions were gradual, and the capital at one stage was gradually shifted into the forms required for the succeeding one. Similarly the changes in aspects of the social system other than the economic ones proceeded gradually. Despite the fact that, structurally speaking, twentieth century United States society had little in common with the social structure of the Revolutionary Period, the new was a gradual outgrowth of the old and involved no sudden injection of new elements from without the system. Most particularly the institutional basis for the change had a long unbroken pedigree in the West, whereas in both China and Japan, radical breaks with the past were involved. Closely connected with this is the fact that the talents of the people involved were gradually prepared for the transition. The labor force of both China and Japan, for example, had great advantages in cost in the late nineteenth and twentieth centuries over the labor forces of the West, but they had great disadvantages in skills, literacy, etc. For present purposes it is necessary to ignore certain special problems faced by China and Japan. Most notable in these respects is the demographic problem. In kind this problem was similar for both East and West, but the differences in degree and alternatives open were enormous. In both China and Japan a population explosion of the first magnitude threatened without the outlets in geographical frontiers that were available to the West.

There is not space here to detail all of the special features of the new forces that were imported into these two societies. For present purposes brief mention of two will have to suffice. In the first place, the new forces placed a tremendous emphasis on an entirely different sort of social relationship than had been common in either China or Japan. In the second place, the development of industrialization when it became available to China and Japan, given their respective economic bases, had of necessity to be carried out on a large scale or none, at least with regard to many crucial areas.

In the sphere of relationships industrialization carried with it an emphasis hitherto unequalled in social history on what the sociologists speak of as highly rational, highly universalistic, and highly functionally specific relationships. For present purposes these terms may be explained as follows. In a highly industrialized situation a tremendous amount of action has to be based on what would amount to tenable engineering criteria of efficiency and the like, rather than on traditional arguments about the right and wrong way to do things. The individual has to think critically and in scientifically tenable terms about how to do things, what to buy, when to sell, where to locate, and the like. In this sense his actions in many spheres have to be highly rational rather than traditional. In regard to choosing people for jobs and the like he has to place great emphasis on what a person can do that is germane to the reasons for which he is chosen — on his abilities rather than on who he is. In this sense great emphasis must be placed on highly universalistic rather than on particularistic criteria. Under highly industrialized conditions relatively small differences in skill may have tremendous implications both in terms of what is accomplished and in terms of accidents prevented. This is true even when mechanical aids have reduced the task performed to button-pushing. Finally,

in many of the relationships in a highly industrialized situation the obligations, etc. involved in a relationship must be precisely defined and delimited regardless of how complex they may be. At least a tendency in this direction is extremely important. The machines of modern industry are so inordinately productive and the interrelationships of even a single operation with others in the system are so complex that one cannot rely on vaguely defined relationships to handle these matters. The craftsman who makes carriages may perhaps have a personal relationship with all his customers and all his workmen and all his suppliers, but this is not possible for a modern manufacturer of automobiles or steel. In this sense an emphasis is placed by modern industry on functionally specific relationships rather than on functionally diffuse ones.

With regard to the special problems of scale involved in the industrialization of China and Japan, or of any late-comers to industrialization for that matter, the basic problem involved is, perhaps, the implication of these scale requirements for the problem of planning and control. Given the discrepancy between the basis of industrialization in these two countries and the stages of development it had reached in the West, it was necessary for these countries to import en masse what had been developed gradually elsewhere. Railroad systems and communications in general had to be undertaken on a large scale if they were to be of maximum usefulness or even to be useful at all. The lack of ready convertibility of the capital in private hands to uses of this sort virtually forced governmental involvement in these projects; certainly this was true if, as in the case of Japan, the members of the system were anxious to carry out such a program without permitting control of the program or of the country to fall into the hands of foreign individuals or foreign governments. It is perfectly true that industrialization grew up in countries like England and the United States with relatively little centralized planning, and it may even be true that it could not have developed had such planning been present, but China and Japan were not developing industrialization. They were taking it over after it had become rather highly developed. The gradual passing from a system of highly decentralized highly self-sufficient units to a system of highly interdependent units could not be repeated in these countries. If they were to industrialize at all, they had to institute systems of highly interdependent units and radical departures from their prevailing highly self-sufficient ones. They were faced at the very outset with large-scale problems of coordination if they were to take advantage of their special situation as late comers to industrialization. They could not even modernize methods of agricultural production without raising a whole host of other problems such as systems of roads, repair depots for equipment, agricultural stations for testing and growing special seeds, etc.

This problem of coordination involves a problem of control, by force if necessary, in cases in which deviance develops or threatens. More importantly it requires that there be patterns in operation that tend to minimize the development of deviance. In the last analysis it is the latter rather than the former that is crucial because of the limited effectiveness of the use of force and the fact that every effective use of force on a large scale implies the presence of patterns that motivate conformity without the actual invocation of force. Pure force or threat of force can never explain the whole of such control, because the use of force always raises the problem of "Who guards the guards themselves."

In the transitional period in China the internal sources of change provided motivation aplenty for individuals to try the new patterns introduced from the West. The family strains alone were capable of motivating many individuals to seek alternative roles if those were available. By the latter part of the

Ch'ing dynasty the disintegration of the Imperial Bureaucracy was far advanced. This disintegration itself put pressures of many sorts on individuals. Tenancy rates were high, usury was extreme, graft and corruption were such as to subject individuals to the most capricious types of exploitation, irrigation systems were in bad repair — conditions had reached a state at which many were willing to try anything.

Into this situation which had been seen in China at the end of dynasties before, the new forces were injected. There was plenty of motivation for the injection of these forces by Westerners either on a peaceful or a forceful basis. China represented vast potential markets and also a vast potential source of production. The fact that the Chinese had little with which to buy foreign goods went along with the extremely cheap labor force, and the latter meant that China could be used by others as the scene of low cost production for sale outside of China. The West had, of course, had contacts with China for some hundreds of years prior to this time, but the patterns that were now introduced had only just developed in the West; they were no more a part of eighteenth century Western Europe and the United States than they were of eighteenth century China. Now they were cast into the picture of dynastic decay, and they immediately began to disintegrate the most effective form of control in the society.

For the first time in modern Chinese history at least the strength of the family system was seriously undercut in those areas affected by the new forces. These new patterns wherever introduced offered the possibility of alternative employment on relatively objective grounds, and consequently they offered those subjected to strains by the prevailing system the possibility of a way out that did not depend upon a refurbishment of the old. The absolute amount of industry introduced was never great, but the effects of it spread far beyond the limits of the new ventures themselves. Jobs offered on the new basis attracted reservoirs of unemployed to the areas concerned, and these offered a radical price competition for the more traditional forms of employment and so threw open these in turn to a greater degree of relatively objective employment opportunities. Family controls disintegrated in and around the most populous centers of China at the very time that the controls of the Imperial Bureaucracy were in a state of disintegration. The individuals who either willingly or unwillingly were separated from their families as the major orientation of their decisions became radically "individualistic by default," and thereby they compounded the difficulty of controlling and co-ordinating their activities. The introduction of extremely cheap goods, meanwhile, competed with handicraft labor, lessened the self-sufficiency of the peasant families, and increased their vulnerability to exploitation by the townsmen.

At the same time the scale on which industrialization had to be carried out, if it was to be carried out at all, was such that a great deal of co-ordination and control was necessary. The groups from whose ranks officials had been drawn in the past were completely incapacitated by their training to do the sort of planning necessary in this situation, for they were above all trained to seek solutions in precedents (and there were no indigenous precedents for these requirements), to operate on the basis of extremely vaguely defined and delimited relations, and to select people on the basis of who they were rather than on the basis of what they could do. The merchants were only to a slight degree convertible for the new requirements. They were used to thinking primarily in commercial rather than in industrial terms and to taking their capital out of such pursuits and putting it into land as soon as possible. They were as little oriented to the reinvestment of talent as they were to the reinvestment of capital. Furthermore in a situation of extremely unstable governmental control, they had more to lose if they tried to set up plants and factories

than if they depended primarily upon trading. In the former case a turn of the political wheel could cost them not only their inventories but their capital investments as well, and these capital investments were more difficult to conceal or move than were inventories. The international settlements offered some protection in these respects, but nevertheless there was a tremendous motivation to seek profits on a commercial basis rather than on an industrial basis.⁷

The industrial development, however, was essential to solve certain other problems, if China could not return to a refurbished form of the "traditional" patterns. One of the great sources of strain between the towns and the villages lay in the fact that the towns were supported almost entirely by income that had its origins in the villages. They produced for export to the villages almost nothing that was capable of increasing net or general productivity there and hence bettering the lot of the peasants. Modern industry could have produced goods and services cheaply enough to compete with handicraft labor and could have made available new tools and techniques, but only the former got anywhere for the profit in them was immediate and obvious. The net result of this was a further impoverishment of the peasants that increased their alienation and played a vital role in their at least passive support of a new change in government that overthrew the Republic which had replaced the dynasty.

In those few areas in which modernization did make some headway the same sort of changes seen elsewhere in the world in company with modernization began. Again family change was prominent. The family changed in composition, type, role in the life of the individual, and all the rest, but what is important here is that it could no longer be used as the main basis for control of individuals. And yet Chinese society had developed no other forms of control that would operate effectively and stably in the absence of family controls. For the last five decades or more China has been a sort of no man's land with regard to modernization. It has bits and parts of it, but it has not achieved any considerable level of industrialization. It also has not been able to regain a stable version of the "traditional" society it once had. The present rulers of China offer a picture of momentary stability, but so far they have not accomplished anything that indicates any basic alteration in the picture of Chinese social structure. They have not accomplished the changes necessary for industrialization. They have eliminated, at least for the time being, the usual forms of graft and corruption, but the prognosis is for their replacement on the basis of party membership rather than the more usual nepotistic basis. If the present regime is not able to modernize, its general prognosis would seem to be much the same as that of its predecessor.

C. The resultant stage.

In the case of China the resultant stage is not different from the transitional one in respects relevant here. The most relevant characteristic of it for present purposes is that industrialization was unable to make any dramatic headway in China. It is true that many of the "traditional" patterns seem doomed, but the stage reached, at least prior to the communist hegemony, was one in which there was an uneasy balance between the new and the old. The inheritance of the past, stands out as a major obstacle to the firmer establishment of the new, and what in effect has been established of the new by its direct and indirect effects undercuts the possibility of the stable re-establish-

(7) This tended, of course, to drain off resources from China just when it was strategic that they be carefully husbanded.

ment of the "traditional" patterns. The situation was, of course, immensely complicated by the invasion of Japan and the internecine strife between the nationalists and the communists. Nevertheless, prior to the invasion and the effective threat of the communists, China had shown no signs of competing with the rapidity and thoroughness of industrialization that was achieved by Japan in a corresponding period. The differences in these respects do not appear to be accounted for on a geographical, demographic, or resources basis. In many if not all of these respects China had advantages that were not only the equal but were rather multiples of those of Japan. But the social systems of the two, while markedly similar in many respects, were markedly different in respects that were strategic for these purposes as will be taken up below.

IV. The Problem of Change in Japan

A. The initial stage.

The initial stage taken for Japan can be set up for the purposes relevant here by contrast with that of China. There were, of course, many similarities. Both of these societies were predominantly agrarian in their systems of economic production. In both cases the non-agrarian members of the society found their basic means of support in the goods and services produced by the peasants. The peasants in "traditional" Japan were also to a very high degree self-sufficient in the matter of production and consumption and received little in return for the portion of their production that was received by others. Certainly they did not receive goods and services from the non-farmers in the society that permitted or accounted for a rise in the net productivity of agriculture. In the system of production of "traditional" Japan there were no elements of modern industrial production. As in China relationships in most spheres, and certainly in the economic aspects of action were to a very high degree traditionally determined. People were selected for relationships primarily on the basis of who they were rather than what they could do with certain peculiar and important exceptions as will be seen below. The relationships among individuals contained many specific obligations and rights, but they were in strategic respects only vaguely defined and delimited. The great emphasis in relationships was not upon what was specifically covered but rather upon whom a given individual stuck with, to whom he owed loyalty, under any and all possible conditions, whatever they might be. As in China the vast majority of people lived very close to the margin of subsistence for the society, and a relatively small group lived on a comparatively luxurious basis. [The family was a fundamental unit of solidarity in Japan as in China, and many of the decisions and activities of daily life were family oriented. As will be seen below, however, action in Tokugawa Japan was not in the last analysis nearly so overwhelmingly family oriented as in the case of China. In fact family orientation took a clearly secondary position relative to another solidarity orientation.

As in the case of China, the role of the merchant in Japan was an ambiguous one. Merchants were rated well below the ruling group, the peasants, and the artisans. Perhaps their only inferiors, ideally speaking, were two outcast groups, the Eta and the Ainu, although even here the picture was sometimes confused by the appearance of Eta in merchant roles. As in the case of China, the ideal position of the merchants was definitely belied by their actual position, and in the transitional period (the degeneration of the Tokugawa Shogunate and the early establishment of modern Japan) the merchants of Japan assumed very prominent roles indeed. In the modern period (i.e., the resultant stage), of course, the roles of the merchants and their successors became

both respectable and esteemed ideally as well as actually.

In "traditional" Japan there existed the sort of distinction between the towns and the villages that existed in China, though in Japan one must include in the category of towns the headquarters of the main feudal lords, the daimyo. The feudal lords and their retainers who formed the ruling class of Japan depended primarily on the income from land, and hence on the labor of the peasants, as did the gentry of China, but their relation to the peasants was of quite another order. The artisans and merchants of Japan oriented their activities, particularly in their economic aspects, to these members of the ruling class, and of course to supplying their own needs. The peasants were not beset by usury in the same sense that the Chinese peasants were. Land was not ideally speaking held by the peasants but was rather part of a feudal fief, but they felt the weight of usury indirectly because their lords sought greater exactions from the peasants to meet their greater debts to the merchants and money lenders. Taxes were hardly experienced by the peasants as such either. The peasants were virtually all in the position of tenants or serfs, ideally speaking, and their lords exacted a portion of their produce as a matter of right. The Shogunate itself did not depend upon taxes as a source of income but relied on the income from the lands held by the Shogun as a feudal lord and upon such special requirements as he might from time to time exact directly or indirectly from the feudal lords (especially the daimyo). The exactions from the peasants were great. Early in the development of the regime the Shogun issued regulations requiring that the peasants be kept so busy on their farms night and day that they be unable to think of anything save agriculture. The attitude held that benevolence to peasants consisted in keeping them neither in extreme distress nor in a situation of prosperity. This policy toward the peasants was integrally related to the attempt by the regime to minimize the possibilities for social change, a policy that will be taken up below, but it certainly had its effects in setting the economic position of the peasants in the total scheme of Japanese social life as well. Economically the position of the peasants was likely to be judged from their point of view in terms of bad or worse rather than in terms of good or better. The social analyst is not beset by the problem of what the peasants did in "good times" but rather by the problem of what they did when things got particularly "bad." In the latter case the peasant revolts occurred in some cases, and these offer the social analyst one of his most revealing insights into the peculiar type of strength of the feudal regime in Japan.

As in the case of China the governmental structure was a combination of highly centralized and highly decentralized elements. The system of controls set up by the Tokugawa rulers was certainly in its initial stages one of the most tightly and effectively controlled feudal systems the world has ever seen. The strong men of the Tokugawa regime were well aware of the sort of trouble nobles could give if they were permitted to get out of hand, and they set about deliberately to make this impossible, as will be discussed below. Nevertheless, in the local areas controlled by the daimyo, the discretion of the daimyo was virtually unlimited as long as it did not threaten in any conceivable way the precedence and power of the Shogun. Neither the centralized elements nor the decentralized ones were of the same sort as those in China however. One of the main differences in these respects lay in the fact that decentralization went all the way down the hierarchy in China, stopping in essence only with the family head whose powers were not decentralized though they were sometimes delegated. In the case of Japan the decentralization lay in the scope of power left to the daimyo (as in the case of the scope of power left to the governors in China), but the daimyo did not necessarily decentralize

their control further. Certainly the system in Japan was not such that the position of family head was as strategic as in China.

As in the case of China there was in fact a bureaucracy that conducted and was held responsible for major administrative functions, but it was not in anything like the Chinese sense a single bureaucracy for the country as a whole. As in the case of China there was considerable need for and emphasis on ability on the part of the persons who fulfilled these administrative roles. Unlike the case in China the bureaucracy was not set up as a separate concrete organization, insulated, ideally speaking, from other concrete organizations in the society. In this sphere the Japanese resorted to a most interesting social device, and this device was one that had considerable adaptive value in the period of modernization. The Chinese system as pointed out above sought out men for these positions on the basis of ability and, without seeking to alter a value system that made the utilization of their abilities vulnerable to the nepotistic and allied pressures of the society, tried to insulate them from these pressures. The Japanese operated otherwise. In Japan the family system was also a major focus of loyalty despite the fact that it did not take the same order or type of precedence as that taken by the Chinese family system. Unlike the case in China the major administrative posts were hereditarily determined. In China this was only true, ideally speaking, of the Emperor's position, but in Japan this was true ideally in all cases save the occasional creation of new nobles by the Shogunate. This situation also obtained among the merchants. In the case of the merchants of Japan there was not the possibility of leaving merchant roles that existed in China, as will be seen below, and since the rule of equal inheritance on the part of all sons that held in China was not characteristic in Japan, there was not the tendency for a man's successor in these roles to inherit something less than the estate that he had left intact. The Japanese worked out, either deliberately or not, a sort of civil service system by adoption. Sometimes these adoptions would even cross the ordinarily closed class lines. A daimyo might adopt as his successor an exceptionally able young man from among his samurai, who in general performed administrative functions for him. He would ordinarily seek an able man from within his own family if possible, but he could and sometimes did go outside the family or the kinship structure as a whole. Furthermore he could and sometimes did supplant his actual eldest son with a more able person adopted as eldest son. Such adoptions were generally made only after the previously legitimate successor, if any, had shown himself of limited competence and the adopted successor had shown himself to be conspicuously able. When such an adoption took place, one had an administrator picked for ability. But one did not have to seek vainly to insulate this man from a sea of nepotistic and similar conflicting pressures. He was put in a role such that all of these pressures motivated him to use his abilities in the utmost for the administrative purposes for which he was chosen. Family, friends, feudal loyalties, everything he had been taught to respect, all of them, in both fact and ideal required the maximum objective use of his talents in the roles for which he was selected. The conflict between the betterment of one's family and the proper fulfillment of office so common in China was not to nearly the same degree a problem here because one's family and one's office were combined in this case.

This was done by the merchants as well as by the feudal lords. By contrast with China the Japanese merchants not only were not preoccupied with the use of merchant status to abandon merchant roles, but they were also much concerned to recruit on the basis of competence family members who would in fact remain in merchant roles and preserve the welfare of the family thereby. This particular technique was continued by the successors of the

merchants in the modernization of Japan. The zaibatsu who in strategic numbers developed directly out of Tokugawa merchant families were well known for this. These families instituted a sort of business civil service within their companies, and those men most successful in the competition and destined to become major figures in the various enterprises of the family were frequently brought into the family membership itself. It was, if one would, the Japanese equivalent of giving a particularly important member of the administration of a stock company a major block of stock in the company, presumably tying thereby his self-interest and the interest of the owners of the company as tightly together as possible.

The family system of "traditional" Japan was also similar in many respects to that of "traditional" China. As in many cases of similarity between Chinese and Japanese social structure a considerable amount of research must be done before it will be possible to tell whether these similarities resulted from self-conscious adaptations of Chinese patterns by the Japanese, whose genius for such adaptations had been well demonstrated in periods long prior to the modern one, or from indigenous developments. But this question need not detain us here. There were two major differences between Chinese and Japanese family structure that are relevant for present purposes: 1) the manner in which family considerations entered the total social picture, and 2) the fact that there was not in Japan as there was in China a single ideal type of family for the entire membership of the society. The first of these turned on the difference in manner of integrating the two societies; the second turned on the marked differences in class structure in the two societies. Both will be discussed below.

Apart from these two differences the two types of family system had relatively few differences. Certainly there were relatively few that seem to be strategic from the point of view of our present concern. The role of the family council in Japan was different from that in China, and this gave the Japanese family, perhaps some greater flexibility than that of the Chinese one in replacing a family head who was not well-suited to that position. The position of women was also somewhat different. Japanese women were even more male-dominated than were Chinese women, it would seem. At least the family council device sometimes prevented the accession to family headship even by a widowed mother, a situation that was quite possible though technically considered incorrect in China. Mothers were subject to far more abuse by sons in the Japanese family than would ordinarily have been tolerated in the Chinese case, but whatever the psychiatrists and psychologists may be able to make of this in the future, their results are not yet sufficiently precise to base an argument on here.

One difference that was probably strategic for present purposes lay in the emphasis on primogeniture in Japan. It is not always true that the eldest son in fact succeeded to the family property or rights. He could and sometimes was replaced by someone adopted as an eldest son, or he could even be replaced by a younger brother, but the rule of equal inheritance among all the sons was not followed in Japan. This made possible at one and the same time the continued concentration of wealth in a single family line and the creation of a cadet class. Both of these are closely related to the feudal social structure that will be discussed below.

Nevertheless the family structures were similar in most of the roles distinguished (e.g., the family head was the eldest male member of the eldest generation in the family). As in the case of China the family units were ideally speaking highly self-sufficient units in their economic aspects. As in the case

of China, this was particularly true in fact of the peasant families and true in only a simulated sense among the wealthy. Power and responsibility within the family units were similarly structured though the different role of the family in the total social picture modified these aspects to some extent. As in the case of China choice of people for positions of all sorts was primarily made on the basis of who one was rather than what one could do, and who one was was primarily a reflection of the family into which one was born or married or both, save in the case of "civil service by adoption" mentioned above. The possibilities of alternative employment were even more restricted in Japan than in China because of the closed class situation there and because of the relations of the peasants to their lords.

For all the similarities between "traditional" China and "traditional" Japan the total structures of the two societies were markedly different. "Traditional" Japan was a feudal society in the sense in which that term is used here, or at least a very close approach to one, and this was not true of "traditional" China. Furthermore when one looks into the history of Chinese and Japanese experience one is struck by the contrast between Chinese and Japanese attitudes toward general social control and the maintenance of social stability. The Chinese had an attitude much like that attributed to Locke. The structure of society would function to the best interests of everyone if it were set up in accord with the Will of Heaven and left as much alone as possible, with occasional interference only to restore the Will of Heaven. The rulers of Japan, however, often seem to have been preoccupied by the possibilities of manipulating social structure for purposes of control, and by the strategic role of those who know how to plan and execute such manipulations. There is certainly evidence that the strong men of the Tokugawa knew what they were about in these respects, and there is at least good reason to suspect that those in power during the modernization of Japan were up to the same sort of thing. Japanese history prior to this time also presents examples of this sort from the adaptation of a system of writing to the building of cities and the like.

The founder of the Tokugawa regime, Iyeyasu, and his followers, especially Iyemitsu and Yoshimune, seem certainly to have been conscious social engineers. The early Tokugawa (Iyeyasu and Iyemitsu) were well aware of the vulnerabilities of social control in a feudal system. It was one thing to order a power hierarchy and tie land distribution to it in the feudal manner. It was quite another to retain control over the nobles once great power had been allocated to them. Iyeyasu's predecessors and colleagues, Nobunaga and Hideyoshi, had subdued just such a set of nobles and thereby made the Tokugawa regime possible. Iyeyasu and Iyemitsu had no intention of doing it again. At a time when the nobles were still relatively weak and they strong, the Tokugawa set up a system intended to defy the decay so common in feudal systems. For one thing they set up an official capital city in the form of a court at Yedo. Then they made it clear that although they were not the emperors of Japan they were also not merely the first among equals as far as the nobles were concerned. Each feudal lord of any consequence, the daimyo in this case, was required to reside periodically at the Shogun's court, and when he was not there, he had to leave his family in his place. The only solidarity in Japanese social structure that offered any threat to the primacy of the obligation to one's overlord was the family bond, and by this hostage system the Tokugawa tied them both together as far as the daimyo were concerned. One might, as will be shown below, meritoriously sacrifice one's family to fulfill one's obligations to one's overlord, but to sacrifice one's family in the attempt to defy one's overlord was sin itself in that society. Even if one lord did attempt revolt, the pressures that the Shogun could bring to bear upon the rest through

their own feelings of loyalty and the hostage system was enough to guarantee the Shogun overwhelming allies in addition to his own strength.

Having established their regime the Tokugawa attempted to guarantee its security into perpetuity. This was of course futile in the long run, but the thoroughness of the attempt and the relative stability it achieved for some two and a half centuries are illuminating. The Tokugawa attempted in every way possible, at first, to prevent change. There were detailed regulations as to what was expected of virtually every type of person in the society. These regulations were made as minute as possible, the more so the more an individual's role was likely to be one in which deviance on his part could be significantly disruptive of order in the society. The regulations covered dress and deportment to such an extent that deviant activity was likely to be immediately and visually obvious. Individuals failing to offer the proper homage in a given situation could be and were on occasion cut down by the samurai without further question. On one occasion in the nineteenth century the automatic application of such measures involved the Japanese in a serious incident with the British — an incident that brought home radically to the Japanese their utter defenselessness before the Western powers.⁸

Whatever their methods or whatever the foundations on which they built, subjects of the Tokugawa both knew and, of their own will apparently, came to accept the tremendous emphasis placed on loyalty to the various positions in the feudal hierarchy. Every man's first duty was to his overlord. This obligation surpassed even the family obligation, and it was because of this that the role of the family in Japanese social structure was so markedly different from that in China. The extreme emphasis placed on this sort of loyalty is well-illustrated in the case of the nobility by the Tale of the Forty-Seven Ronin and in the case of the peasants by certain of the phenomena associated with the peasant revolts under the Tokugawa regime. In the case of the Forty-Seven Ronin the facts are perhaps not as important as the legend that immediately spring up about them. Much was made of this legend in the Tokugawa period itself, and a very significant adaptation was made of the legend in the transitional and resultant stage of modern Japan. In brief the legend has to do with a group of retainers who sacrifice all other goals to avenge the death of their immediate overlord. In order to throw their master's enemy off guard they are credited with virtually every act held evil, especially the ruination of their own families. After he has relaxed his guard, they slay him. Their vendetta, however, has been at least superficially in defiance of the Shogun's law against vendettas, so they fulfill their obligation to the Shogun by peacefully surrendering themselves with never a plea for mercy. The Shogun despite his own respect for their extreme regard for loyalty cannot let their breach of the law go unnoticed. Their fate is sealed, but the Shogun does permit them to atone

(8) The Namamugi incident (1862) involved a British subject named Richardson, who was overwhelmed by the magnificence of an approaching daimyo's retinue, remained mounted, and stared. It was gross insolence and *lèse majesté* from the Japanese point of view, something every person of low social status knew better than to do. The daimyo's samurai cut down the offender. The British in reprisal made their first punitive use of a breech loading naval rifle to pound to pieces certain Japanese forts which had, perhaps, the most modern artillery in Japan. The Japanese were most impressed. They learned far more from the incident than the fact that Westerners were not sensitive to the intricacies of feudal respect and the like.

for their crime by the honorable ceremonial suicide of the samurai. All of them commit harakiri and complete thereby all of the responsibilities they bear. Their master is avenged; their duty to the Shogun is fulfilled; and last, their family obligations are satisfied because they leave their families a most honorable heritage. They have sacrificed everything to the ideal of feudal loyalty, and in so doing they have realized everything.

The peasant revolts sometimes furnished an equally impressive example of the emphasis placed on loyalty to one's masters. During the Tokugawa regime the exactions placed upon the peasants sometimes were such that the peasants took matters into their own hands and backed their demands for reform by a show of force. It was quite clear in some of these cases that they in fact commanded the force necessary to carry their points, and in fact their demands were granted. Even after their power had been clearly demonstrated, however, once their demands were granted, their leaders on more than one occasion either were taken by or themselves surrendered to the very authorities against whom their use of force had been successful. These leaders usually suffered most painful deaths apparently without ever becoming the cause for a further demonstration of force on the part of the peasants. The peasants seemed to feel that, while they had had no choice but to revolt, someone had somehow to pay for this violation of things as they "should be."

In Japan loyalty to the feudal hierarchy took clear precedence over loyalty to one's family. This did not mean that loyalty to one's family was unimportant. It was tremendously important. It did mean, however, that one had two means of control over the deviance of individuals, control as in the Chinese case through the family organization and direct control through the feudal hierarchy. One of the implications of this dual hold on the individual was that the possibility of "individualism by default" was minimized. Even if an individual were to lose or be separated from his family, he could not lose or be separated from the entire hierarchy of persons in positions of power over him. One of the most important arguments used in the amazingly peaceable deposition of the Shogun was, of course, to the effect that the Shogun had himself violated his loyalty to his overlord, the Emperor. The emphasis on the loyalty was never denigrated. The people were simply told that this loyalty was due directly to the Emperor and his officials and hence to the Japanese nation and not to the Shogun.

The transition was facilitated by another aspect of the society. The higher up one was in the social scale and the greater one's basis for power in the feudal system (under the Tokugawa the Emperor and the Kuge are exceptions to the fact that high social position and great basis for power went together), the more was expected from him in the form of careful indoctrination about loyalty to the hierarchy. In the Rōnin tale, for example, the Rōnin were in actuality forgiven their unintended transgression against the Shogun, but many other samurai were punished and disgraced for not having fought strongly enough to have prevented their act. The leading daimyo had been weakened in many ways by the end of the Tokugawa, but with rare exceptions they saw the whole basis of their position swept away in the name of the good of the nation without a protest or with their aid, and even those exceptions did arise, arose in a different conception of where the good of the nation lay and not in where the good of the daimyo lay.

Some of the differences between the "traditional" Chinese social system and that of "traditional" Japan have already been mentioned in the preceding discussion of their similarities. One of the most important that has cropped up above is the difference in class system in the two societies. China had

ideally speaking almost an entirely open class system. That is to say that ideally speaking virtually anyone in the society could (or his children could) climb to the top of the social ladder. There were special restrictions on some groups from time to time, but these never worked very well. Women were at a disadvantage relative to men as far as their own efforts were concerned, but their class position was not a function of what they did but of what their fathers, husbands, or sons did. Furthermore the class system was held open, ideally speaking, on the basis of achievement. This was true of both upward and downward mobility. Actually the social picture differed considerably from this ideal picture because the paths through which mobility took place, ideally speaking, were usually more or less clogged and because factors other than achievement played greater roles in such mobility than they were supposed to from the point of view of the ideal patterns of that society. Nevertheless, they were never completely closed in actuality and never anywhere near closed ideally.

In the Japanese case the picture was almost exactly the opposite with regard to the ideal patterns. Ideally speaking the class system was completely closed. One was born to the social position of one's parents. It was expected that one stay in that position and that one's children and children's children stay in it as well. Actually there was some mobility, but it was rather carefully hedged so as not to disturb the general or the ideal patterns. There was some mobility within the class distinctions. One could, for example, rise higher or fall lower in the scale of daimyo or peasant families, for example. There were also occasional cases of families that were demoted, though these were more likely to be wiped out. There were cases of elevation in status by the Shogun for example, but again these were probably rare. Certainly the most strategic form of mobility as far as its bearing on the present problem is concerned is one that appeared to involve no interclass mobility at all. This was the mobility involved in the peculiar "family civil service" mentioned above. But it is the essence of the adoption procedure that one's past position is in theory wiped out; the adopted son is at least in fiction held always to have been what he has just been made. Furthermore such elevation was neither so frequent nor was it conducted in such a way that it could be made the goal of achievement by others generally in the society. It was a bonus that came occasionally; it was not something that could or should be striven for. This lack of general motivation to compete no doubt was reflected in a failure to realize many human resources in the society, but at least in the Tokugawa period the strategic significance of relatively small differences in skill was not such as could be met only by large scale motivation of this sort. In the modern period when such differences did assume such importance, an embryonic pattern of mobility that could be adapted to the new situation was in existence. Furthermore, the basis for such mobility in Japan was specifically relevant to the position for which the person was chosen. This was in marked contrast with the system of China which had more of the character of the old British civil service in which persons were selected primarily on the basis of examinations on a general intellectual background that was not necessarily germane to the role that a person would fulfill after selection. For this purpose there was a sort of "on the job training" or none at all. In the Japanese case those selected for advance by adoption were not selected until they had already shown the specific abilities for which their services were desired, and this in turn gave a precedent of sorts for later selection of persons on the basis of germane abilities in the modern period. Furthermore, initially at least, it gave a basis for such a selection that would interfere with established family patterns to the minimum degree. Finally in the Japanese system the person so selected was specifically cut off from his past particular social connections with those in his old class

position, at least ideally, and therefore it was not expected that in his new roles the interests of these actual former family members, etc. would be a primary source of motivation for him and hence prejudice, unless properly insulated against, his performance of duties in his new roles.

The significance of this emphasis on closed classes in Japan was widespread for the problem of Japan's transition. The accustomed lack of expectation or striving on the part of the vast majority of the population, the peasants, meant that at least in the initial stages of change, the expectations of the peasants would be modest, that they would be accustomed to sacrifice directed by a ruling group, and that comparatively small material improvements in their lot would make a comparatively big impression upon them. The upper classes were also specially prepared for control and sacrifices, and to some extent these latter, both by the adoption procedure mentioned above and the increasing role of the merchants as will be discussed below, were prepared to have many roles performed by those most competent to take them over. This was of far-reaching importance because like the gentry in China the upper classes of Japan were as a whole almost completely unprepared and unadaptable to the requirements of the roles necessary if Japan was to modernize rapidly and thoroughly, especially given the fact that Japan was a late-comer to industrialization and was therefore involved in the problems of scale mentioned previously. Although they were ill prepared to assume such roles of leadership, they were beautifully prepared in Japan to step aside with relatively little disturbance, and this, of course, was conspicuously not the case in China. Neither warlordism nor a yearning for and attempt at the re-establishment of the "good old days," so prominent among the gentry of China, was a substantial problem in the transition of Japan: The "civil service by adoption" gave a pedigree to justify the transfer of those of the old upper classes who had strategic abilities to roles of importance in the new order of things, and the special role of the merchants offered another source of supply of more generally adaptable talent.

The general hypotheses of this paper include two of special importance. The first is that the differing systems of control over individuals in China and Japan made for much of the difference in their respective experiences with industrialization. The second is that what on the surface in the early nineteenth century might have seemed like comparatively small differences in the roles of the merchants in the two societies was also of special importance in the different experiences of the two countries. This difference between the merchants was directly related to the general and the specific characteristics of feudalism in Japan. As regards the general characteristics the most important factor for present purposes is the closed class character of "traditional" Japanese society by contrast with that of Chinese society. In both societies the merchant role was, ideally speaking, one of extremely low prestige. Actually in both societies, as has been noted above, the merchants were often powerful and even respected. But in Chinese society the open class character of the social system held out to all merchants the possibility of achieving for their families, if not for themselves, the genuinely ideal social position for the entire society. By following the proper preparations and procedures the individual could acquire gentry status, and with him his family could do so as well. Thus, as noted above, there was motivation aplenty for merchants to spend capital as well as income to acquire either by graft or education or both a different status for their sons or even in some cases for themselves. There was, therefore, a flight of talent from the merchant field in China and with it a flight of funds. Such flights were not features of the Japanese case. No matter how much he might wish to do so, a merchant could not become a member

of the nobility. He might become the power behind the throne of a daimyo, but he could not become one, nor could his family after him acquire that status. The best he might hope for would be the marriage of a daughter to the son of an impoverished samurai, but as in China a daughter married out of her parents' family, and such marriages were in the nature of family foreign relations. They might increase the prestige and security of a merchant by allying him more tightly with members of the upper classes, but they did not make him or his family members of that class.

There was another strategic difference from the Chinese case. Power in the feudal hierarchy was tied to land ownership in the usual case for the daimyo. Even the daimyo retainers, the samurai in general, were given rights to the income from land that was part of the overlord's domain rather than title to land itself. The feudal relationships of individuals to the land were an important part of social position in Japanese society, but land could correspondingly not be bought and sold with any general freedom, at least ideally speaking. This meant that many actual transfers of land were exceedingly vulnerable to confiscation. These limitations on the acquisition of land either as a symbol of social status or as a category of investment meant that one of the most prominent forms of capital flight from merchant uses in China was virtually out of the question in Japan.¹ Talent could not be readily drained from the field because of the class system. Capital could not be readily drained from the field either, because of the closely associated restrictions on the holding of land. The merchants of Japan could not seek to minimize their vulnerability to the political hierarchy by either a personal or capital flight from merchant pursuits.² Through no virtue of their own, perhaps, they were forced to think in terms of buying and selling and production and reinvestment.³ Their hope for security lay in being more and more successful merchants and in having their successors continue in that vein. Their abilities in exchange were vital to the upper classes. Their security and achievement lay in playing those roles well, and this they did so very well that by the end of the Tokugawa regime many of the most striking features of Japanese society were aspects of the activities of the merchants.

The potentiality of the merchants as a group was built up in still another way in "traditional" Japan. The early powers of the Tokugawa planned carefully and relatively well to minimize the possibilities of change of any sort and of a successful revolt by the daimyo in particular. Here the peculiar qualities of Tokugawa feudalism came into play. The basic structure of the Tokugawa economy as in other feudalisms was the use of land, ownership and control of which was tied to the power hierarchy. Each major fief was to be in essence a self-contained and highly self-sufficient economy in addition to its other characteristics. But this carried with it, of course, the possibility of a rebellious noble developing a basis of power on which to stand in opposition to the Shogun. Iyemitsu or his advisers put a stop to this possibility by the special hostage system described above that tied feudal loyalty and family obligations together for the top power holders in the society. The elaborate ceremonials involved in the Shogun's court had its functions as a damper on change, but the requirements of this ceremonial plus the necessary minimum of cost in the daimyo maintaining elaborate establishments in Yedo plus the requirements of graft that were a prominent feature of that court called for middlemen to convert the rice income of the daimyo into a form of wealth useful and negotiable at court. The daimyo themselves could not carry out these functions because it was socially degrading on the one hand and involved them in relationships outside of areas that they controlled on the other. The very techniques of the Tokugawa for tight control of the nobles guaranteed the merchants

a vital role in the society. Furthermore their position as a class ideally beneath the notice of the nobles gave them a certain freedom of operation in meeting new situations that did not exist for the members of the upper classes. In tying the nobles down, the Tokugawa unwittingly turned the merchants loose. At the same time the closed class system prevented the powerful merchants from assuming the carefully restricted roles of the upper classes whom the Tokugawa had expected to be and to remain the sole foci of power apart from the Tokugawa themselves.

B. The transitional period.

As in the case of China the transitional period in Japan was compounded of the disintegration of the old order and the introduction of the new forces. The new forces were virtually identical, as has been pointed out above. The old order was different, however, and in the transitional stage in Japan industrialization made dramatic headway which was not the case in China. Furthermore the transition was made without the chaotic state of affairs that has characterized China. Here we shall first examine the disintegration of the old order prior to the introduction of the new.

It is perhaps not an exaggeration to state that the disintegration of the old order is best mirrored for present purposes in the rise in actual power and importance of the merchants. They made their position, ideally a minor interstitial one, the kingpin of the whole system. The daimyo relied upon them for their needs of exchange, and their reliance made the merchants powerful and the nobles dependent upon them. Outside of the peasant households and outside of the strictly agrarian pursuits all other aspects of production and consumption came to revolve around the merchants. The artisans produced for the wealthy and for other artisans. They depended for food on the production of rice and other staples by either the farmers or the fishermen of a given daimyo. The upper classes depended upon the artisans for much of what they consumed. The scale of operations precluded barter as a daily means, and the merchants provided the facilities to make barter unnecessary. They not only traded; they financed production and consumption; they developed banks; they created commodity markets and dealt in futures as well as concrete goods; and they became in short general entrepreneurs for endeavors of all sorts. It is not a matter of chance that the zaibatsu of modern Japan, who grew out of these merchants roles, characteristically built industrial and economic empires of the most diverse sorts. In the modern West such great family enterprises as have grown up have tended to specialize to a much greater degree in, say, banking or insurance or even the industrial production of a particular sort of product with others added primarily if germane to that original one.

In their economic roles at least the merchants became a sort of middle class such as had developed in Europe. The term "middle class" is a dangerous one in this context for there are those who would say that the appearance of a middle class solves virtually all problems of industrialization and that such a class was lacking throughout the Far East. This middle class was quite different from that of Europe in at least one respect. The relatively strictly maintained feudal distinctions tended to keep people from coming into the group as well as from getting out of it, so that in so far as it partook of the characteristics of a middle class it was a very restricted one in numbers. The merchants did not occupy such a role in China because the open class nature of the system prevented the way of life of the merchants ever from becoming an ideal pattern in its own right which it certainly did in both Europe and Japan.

As the merchants grew in power and wealth, the proportion of the goods

and services of the total society that went to their maintenance increased. They developed a theater and a literature largely of their own. They maintained more or less elaborate establishments — not sufficiently elaborate to threaten their capital base as exemplified by the retainer system of the feudal lords, but costly none the less. Sir George Sansom in his Japan, a Cultural History (Appleton Century, N. Y., 1938) gives a vivid picture of the world in which those merchants (chōnin) lived. This is mentioned because it is closely related to the major factor that undercut the power of the Shogunate and caused its future to be threatened quite apart from the blow to the Japanese of Perry's forced entry of Japan. Japan was like China in that the basic support of the entire economy came from the production of the peasants. The townsmen produced little or nothing that was essential to the farmers or that increased their net productivity and so enabled them to better their standard of living. It is true that the peasants were not accustomed to much, but the increasing amount of their production that came to be drained off into the pockets of the merchants and hence into support of the townspeople, let alone the amounts that went to support the feudal court proper, kept increasing the burden upon the peasants. The increase in peasant revolts as the Tokugawa regime aged has been commented upon and documented by many, especially by Professor Hugh Barton (see his "Peasant Uprisings in Japan of the Tokugawa Period," Transactions of the Asiatic Society of Japan, Vol. XVI, May 1938). By the time of Perry's appearance, the whole society was ripe for some change of control at least, if not of general social structure.

Most of the stresses and strains already mentioned in the case of China were also operative in the case of Japan. These are sufficient to account for motivation to take up alternative ways. There were however more effective ways of restraining such motivation in Japan, especially in the form of the controls on the individual independent of his family structure. The remarkable thing about the transitional period in Japan, however, was that the new forces did not dribble into the society, being taken up by individuals here and there at their own will. The process shows numerous signs of being carefully controlled and even planned from the very start. The actual opening of Japan that was forced by Perry was not of course a part of Japanese operations, but it was not totally unexpected, and its possible significance for the future of Japan was grasped at once. The closure of Japan was one of the techniques by which the Tokugawa hoped to hold back change and incidentally to forestall changes brought about by foreign contacts raising the possibility of foreign allies for rebellious nobles — a possibility that might have broken the rather thorough system of control devised by the Shogunate. But all through the period of closure the Tokugawa kept a window to the West in the carefully restricted Dutch trading concession. This was so restricted as to offer the Dutch no uncontrolled basis for influencing the people at large as existed in China even before the Opium Wars forced even more contacts to be made available. One of the exactions placed on the Dutch was a periodic report on what transpired in the Western world. Scholars today may laugh at the naivete of some of the ideas of the West held by the Japanese in power in those days, but the fact remains that they knew a great deal more about the West than the West knew about Japan. They were particularly impressed by the apparent ease and avidity with which the Western powers took over control of those parts of the world that lacked even the beginnings of industrialization and yet were strategic for it in terms of raw materials, markets, transportation, etc. The manner of Perry's appearance in Japan was to many of the Japanese a sign that their time had come unless they moved to prevent it.

They were certainly moved to prevent it. How far back one could trace

an authentic pedigree in Japanese social structure for an intense desire to maintain their "national" integrity is probably not known. But the devotion of the leaders, at least, to rule of Japan by Japanese was certainly intense in the middle of the nineteenth century, and apparently had been so for centuries past. The Japanese who seized control from the Tokugawa were determined to prevent the domination of Japan by outside forces. In the period interstitial to Perry's appearance and the restoration of the Emperor, the power of the West was studied in Japan, and Japanese went abroad to see for themselves. They were given conclusive evidence by the West of the importance of armies and fleets in these matters in a series of incidents in which victory went inevitably to the West.

The graft, corruption, and decay of the Tokugawa made it a relatively simple matter for a determined group backed by some of the major daimyo to "overthrow" the Shogun and restore the Emperor. In fact the Shogun himself seems almost to have cooperated in the transition. All through the Shogunate the fiction had been preserved that the Shogun was simply the representative of the Emperor — that the Emperor was too honorific to be bothered with the day to day affairs of state. In the crisis that presented itself the reigning Shogun in fact voluntarily turned over his power to the Emperor. Such bloodshed as had featured the reign of the previous Shogun was conducted in defiance of the Shogun but had posed either as being directed against the chief minister of the Shogun or as undertaken out of loyalty to the Emperor whose court had been permitted to gain increasing power toward the end of the Shogunate. The new regime that took over, originally as a sort of regency for the young Emperor Meiji, a boy of fifteen at the time, had a window dressing of nobles from eminent families, but the actual executives of the new order were a group of young samurai who had been in administrative positions in the various powerful daimiates and who had been in close contact with the merchants. The merchants themselves by this time through their alliances with the samurai had become powers in many of these administrations and in some cases had apparently even held offices as chamberlains and the like. They had not, however, lost their merchant roles, because it was their income earning capacities that were sorely needed and caused them to be valuable to the upper classes with whom they became allied.

Reforms followed the Restoration of the Emperor (formally dated as 1868) quickly. The men in power understood that an army and fleet of the modern sort were necessary if Japan were to escape absorption. A conscript army of peasants was organized and trained — a radical departure for Japan in which the right to bear arms was the prerogative par excellence of the upper classes. Despite skepticism this army quickly demonstrated its effectiveness by the defeat of the Satsuma rebellion, the last gasp of the old feudal system. The samurai fighters of the Satsuma were easily defeated by this conscript army organized and recruited in the Western fashion. The Satsuma had from their point of view revolted from motives of loyalty, and after their defeat they became immediate and substantial supporters of the new regime. The leaders of the revolt even became heroes of a sort in modern Japan by virtue of the fact that their motivation by loyalty was accented even though their loyalty was misguided in the view of the modern rulers of Japan.

The new rulers understood that a modern army and fleet were minimal requirements if Japan was to escape foreign domination. They also realized that a modern heavy industry was necessary if Japan was to be able to support a modern military establishment without dependence upon foreign powers. They understood even more. They understood that one of the major avenues of encroachment by the modern Western nations in other "underdeveloped" countries

had been via the protection of their investments in these areas. The new rulers of Japan early faced up to the problem of building up these necessary industrial facilities without resort to financing from abroad with all the footholds that sort of a relationship offered to foreign governments. The problem posed for them by this point of view was a serious one. In the first place the scale on which these industries had to be set up precluded the easy transformation of capital from prevailing forms to the modern ones. In the second place the Japanese had initially at least to seek their capital equipment abroad, since they lacked the means of making it at home. Finally, and perhaps most difficult of all, the sort of heavy industry necessary to serve as a basis for the independent maintenance of a modern army and fleet was uneconomic in Japan. Because of the relative lack of good coal and iron deposits in Japan proper, it was cheaper for Japan to buy heavy industrial goods abroad than to produce them at home. But buying them abroad would make and would keep Japan more and more vulnerable to the interests of her foreign sources of supply of these commodities. National interest from the point of view of the Japanese required the subsidization of these industries at any cost. The maintenance of a modern army and fleet was another economic strain on Japan. Armies and fleets may be justified on many grounds, but they are always net drains on the effective material productivity for other uses of any country. Economically they are never justified save by a consideration of the spoils of conquest that they may make possible or by a consideration of the costs of the conquests they prevent. It was the prevention of conquest by outsiders that initially at least motivated the money and effort spent on army and fleet in Japan.

The Japanese feat came as close to being one of lifting oneself by one's bootstraps as the modern world has ever seen. They started close to bankruptcy, used almost no foreign capital, established uneconomic heavy industries, organized and maintained a modern military and naval establishment, changed their governmental system radically, altered their system of production and consumption of goods and services to one in which modern industry was strategic, erected and conducted many highly profitable modern enterprises, made literacy of a sort virtually universal, and taught their people to operate effectively in terms of types of relationships that had been relatively unimportant and unknown in the Tokugawa period. They did it all with virtually no internal bloodshed or disintegration of major proportions, and they were very far along with the job in no more than five decades. The problems they posed themselves required even tighter controls on the process than industrialization would have in another context in which the utilization of loans and other help from abroad would not have been excluded or in which natural resources furnished a better material basis for industrialization than they did in Japan.

A start could be made and was made by the export of raw silk and specie, but this could not carry the burden for long. To carry the burden Japan's leaders wanted, a special sort of manufacture or service had to be found. As a late-comer to industrialization Japan could use what the world had already learned. She could start with the most modern machines available without the burden of obsolete machinery that still carried capital obligations she could start without unnecessary capital expenditures to cover the developmental process; she could use the latest managerial techniques; and she had a source of labor that was abundant and very cheap. These advantages were necessary because out of those industries that were economic in Japan the Japanese had to make enough not only to pay for those and for further development, but also to pay for those industries that had to be subsidized and for

the military establishment. The lack of raw materials at home meant that Japan had to look for products that satisfied the following list of conditions: 1) the cost of raw materials and their transport plus the cost of transport of the finished goods to the markets would be small relative to the total value of the finished good, 2) a great deal of the value of the finished good could be added in fabrication, 3) large amounts of labor could be utilized in the manufacture of the goods, 4) the product would be largely produced for export, and 5) preferably other countries producing it for export would have large amounts of obsolete equipment and relatively high labor costs. Textiles were goods of this sort par excellence, and many other light manufactured goods fell into this category. The Japanese judiciously combined some modern manufacture with a system of domestic industry to produce certain goods that could not be produced on a domestic industry basis in the West because of labor rates and were not adapted to or did not justify economically large scale machine production. Shipping was a service industry in which the Japanese could have similar conditions. In the pursuit of development in these fields the Japanese were assiduous and successful for they had unusual comparative advantages. But these comparative advantages depended in considerable part on tight coordination and control. For example, sale or use of manufactured goods within Japan proper as opposed to their production for export had to be very carefully controlled and had above all to wait until the net productivity of Japanese workers had risen by more than the cost of the new goods they were permitted to buy. One of the major advantages that Japan had in international trade was that the standard of living in Japan was different and cheaper than that of the Western world, and hence Japanese labor costs were much lower. Consumption of the goods produced at home that did not wait on increases in net productivity would have wiped out that advantage. That advantage had to be kept large because some of it had to be wiped out to support the uneconomic heavy industries and the military establishment. This in turn posed a special problem of control. In their production roles Japanese had to be taught as rapidly as possible to use Western techniques, and this had to be done with those of their consumption roles that were directly reflected in increases in net productivity. But for the rest the total advantage of the society as conceived by those in control lay in retaining as many as possible of the features of the "Japanese way" that involved a standard of living different from and cheaper than that of the West. It is not a matter of chance that so many items showing Western standards of living and Western domestic habits were expunged from movies, literature, and the like and put in the category of "dangerous thoughts" along with such things as plots against the state, etc.

The transition had to be kept smooth. The Japanese were well aware that civil strife was a well understood fishing ground for foreign nations. Their own expulsion of Europeans some centuries before had been intimately tied up with the participation of these Europeans in Japanese domestic struggles for power. The Japanese also had China as a constant warning to them. China had all the obvious possibilities for industrialization that Japan had plus infinitely better raw material resources and even cheaper labor. But China lacked the ability to organize and maintain tightly a planned program for industrialization, and most of the things Japan's leaders feared for Japan happened to China. In fact Japan herself in her initial tests of her progress was an outstanding participant in the exploitation of China's weakness.

One of the first problems faced by the new regime was reform that would secure the allegiance of the peasants for certain by improving their lot if possible, and another was to place at the disposal of those who could make effective modern use of it those capital resources that did exist and were not mar-

shalled in such hands already. Both reforms involved the feudal lords and the land; wealth not in the form of land was pretty much already in the hands of the merchants. The way out was ingenious. The lands were taken over and turned over to the peasants by the national government. The feudal landholders were compensated with government securities. But these were matters that only the bankers really understood, and the new bankers were the old merchants who acquired thereby effective control for purposes of financial manipulation of virtually the entire finances of the society. There was hardly any fuss from the ex-nobles. Those who were already closely allied with the merchants went over into modern business and industrial roles. Some of the able ones went into professional roles, and some went into the government. But these adaptations were on the basis of germane abilities for the most part, and when these were lacking, they lived out their lives on what income was left to them from their government bonds. Some of the samurai went into the armed forces, more perhaps into the navy than into the army, but again they had to have germane abilities. The armed forces, particularly the army, early instituted a radical system of promotion on the basis of merit and became a major ladder for social ascent in the new nation. Wryly enough many of the samurai found positions as policemen in which roles in the early days at least they could continue to wear their swords. They retained some small measure of authority (under orders, of course) over common people, and their patiently acquired talents could be put to use without too much or too arduous conversion. For many of these nobles the material sacrifices involved were tremendous, but the code of the warriors even in the days of decay had always emphasized the preparation for sacrifice. The new rulers used this habituation. The samurai policemen could, however poor, fulfill the samurai obligations by proper performance in these new roles for their masters.

In the transformation of Japan to a relatively highly industrialized society, particularly given the importance of speed in that conversion, the merchants might have been expected to give the maximum amount of trouble as far as the problem of control was concerned. They formed the group on whom the feudal emphasis of loyalty was least impressed. They were strategic for the conversion because they had some of the skills and attitudes necessary for the changes. They caused little or no trouble, however, for whatever they may have lacked in orientation to higher authorities was made up by the fact that even if they placed their interests as individuals above those of Japan as a unit, they were motivated to seek the same things. They were cut loose by the new regime to do what they were accustomed to doing with relatively slight restrictions. There had to be a place for the heavy industries, and there had to be an orientation to production for export. But there were state subsidies to aid these motivations, and there was the fact that the leaders among the merchants were prime movers in the governmental organization itself. The new nobility was created, and while there were places in it for many of the more eminent carry-overs from the old nobility, there was a method of continual appointment of new nobles on the basis of achievements useful to the State. The new businessmen and industrialists were prominent among the new nobles. The control was facilitated by another aspect of the situation at the end of the Tokugawa regime. There existed at that time a considerable concentration of wealth and power among the merchants in a few merchant families. This carried over to the new situation particularly when the capital resources of the old feudal nobility were converted out of land and into modern financial forms which gravitated through the banks into the control of the large merchant families who owned the banks. Whatever the social evils may be that are involved in a highly monopolistic situation like that of the saibatsu, it offers certain advantages in a situation that requires a consid-

erable amount of highly general planning. From the start the control of the key industries was in the hands of a rather restricted group, and the tightness of interstitial relations in a modern economic system means that control of the key industries gives enough leverage if necessary for control of the less strategic industries that are dependent upon the key industries.

But the question of control of determined deviants among the new businessmen and industrialists does not seem to have been seriously raised in the early part of the transition. It is not until the second or third decade of the twentieth century that any element of the society whose interests showed any marked divergence from that of the business and industrial interests came to power in the government. When this did occur, as evidenced in the political struggles for power between the military and the zaibatsu, the struggles were relatively peaceful. There were, it is true some assassinations of business and industrial figures, but there was no chaotic struggle for power or general resort to arms inside Japan. There was a seesaw political struggle for a time with eventual victory for the military extremists, but despite a difference in their interests the military did not experience any marked difficulty in control of the zaibatsu. Whatever emancipation from the feudal emphasis on loyalty the merchants may have had at the end of the Tokugawa regime, they like everyone else in the society had undergone an intensive and well conceived program of indoctrination in serving the national interest that dated from the Restoration in 1868. The situation was further complicated in these respects by virtue of the fact that defiance of the military, if successful, would probably have been a Pyrrhic victory for the zaibatsu, but exploration of this matter is beside the point here. In any case there is good reason to believe that the one group that was, perhaps, not well conditioned to stay in line on the basis of an overwhelming concern with loyalty was a group whose members were motivated by other factors to seek exactly the things sought by the rulers of the new Japan among whom the members of this same group were, of course, prominent.

C. The resultant stage.

There is not space or need here to describe in detail what was done in the modernization of Japan. The changes were revolutionary as far as the social structure of the society was concerned, and industrialization of a marked degree, far beyond anyone's expectations in the West, was achieved in a very short time. It is perhaps doubtful that any other society ever carried out such marked changes so quickly with so little violence. Land tenure, education, production and consumption systems, political systems — virtually everything — either changed or had its position in the total social structure changed radically. And yet some things were held remarkably constant though this in itself was a sort of change because those things held constant now existed in a quite different context. The new forces in Japan undercut many of the old patterns just as they had in China, but they did not simultaneously undercut the sole or the major source of control over individuals as they did in China. The Japanese were even able to retard the disintegration of the old type of family system to some extent. By continual emphasis on the "Japanese way" they were able to get individuals to adapt quickly the new ways in spheres in which they were essential and retain the old, at least long enough for a more gradual transition, in other spheres of life. They were not able to prevent a gradual drift toward a more Western and expensive standard of living, but they were able to keep the drift gradual so that the wiping out of their cost differential in certain fields of export was not capricious from the point of view of the economy as a whole. The Japanese paid a price for their tightly controlled

change. There is much reason to believe that, in the world context in which they developed, the aggressive international policy that brought about their defeat was intimately related to the very factors that permitted their rapid and smooth transition to an industrialized state. A definite case can be made out for the proposition that in the international environment in which they existed their success at home was bound to get them involved in a failure abroad that would threaten to undo the effects of much of their social engineering. But here we are concerned with the factors that permit of rapid industrialization, and the lesson we may learn from the comparison of the Chinese and Japanese experience consists first of some of the conditions under which modernization may be carried out or facilitated and second of what may be done to offset the difficulties that were attendant on Japanese success in these respects. Japan was able to do the first of these. She was not able to avoid the second.

In the deliberately oversimplified analysis presented here the comparative lesson may be summed up briefly. The new forces in both cases were identical, and it may be added that they will be roughly the same in the case of the modernization of any of the so-called "under-developed areas," except for the fact that both the advantages and the disadvantages for latecomers to the process have now been intensified by more than half a century of further development. The basis from which change took place was quite different in the two cases, though both were similar in many respects, especially in their emphasis on highly self-sufficient economic units, relationship requirements different from those accentuated by modern industry, and the importance of the family system as a major focus of attention in the organization of the society. They differed in two respects that were crucial for industrialization if the hypotheses presented here are tenable. In the first place for all the fact that in both cases the societies were a world apart from the structures necessary for a modern industrialized nation, Japan had in the basis from which its change took place patterns that made possible the tight maintenance of control over the vast majority of her individuals even while or after the process of industrialization undercut many of the old structures that figured prominently in control or motivation of deviant activities. China's "traditional" social structure was such that the advent of the new forces undercut virtually the only possibility of such control, and the old system was not, as in the case of Japan, able to maintain its forces until a comparatively sudden end so that the new forces could be prevented from dribbling in uncontrolled. The transition in China was not such that a planned introduction of selected aspects of the new forces could be made even temporarily as in Japan. In the second place, there existed in Japan a group of people with roles such that the individuals holding them were relatively readily adaptable to some of the roles strategic for the transition. This was true despite the fact that prior to the transition these roles were by no means identical with those that were strategic for the transition. Although China had similar roles in her "traditional" social structure, they differed from those in Japan particularly with regard to the manner in which the holders of those roles were fitted into the total social structure, and this difference was apparently sufficient when combined with other aspects of that situation to preclude the ready adaptation of the persons involved in them to the new roles necessary for a transition like that carried out in Japan.

If the hypotheses presented in this deliberately oversimplified picture of strategic necessary but not sufficient factors in the relatively rapid accomplishment of modernization in Japan as contrasted with China's inability to accomplish a similar result have any validity, they indicate the importance for such a problem of what may superficially seem to be small differences in social structure indeed. They also indicate that for these purposes in these two cases

factors such as inanimate resources, climate, population size, the forces introduced from outside, etc., when considered apart from the social structures of the societies concerned, do not contain the necessary but not sufficient conditions to explain the differential result. It is by no means true that all the cases of industrialization or modernization of so-called "backward" areas will present identical or nearly identical problems to those that arose in the cases of China and Japan. But there are likely to be some common features. The new forces remain similar in kind, but as time passes they progressively accentuate the problems of conversion from a relatively non-industrial to a relatively industrial form.⁹ The advantages and disadvantages that accrue to the late-comers in the process continue to increase, or so it would seem at least. This continues to accent the importance of a technique of control over the actions of individuals in societies making the conversion. The problem is aggravated by the fact that the new patterns are certain to undercut many of the measures of social control characteristic of relatively non-industrialized societies, particularly those that are dependent on relationships that accent traditional ways of doing things, who a person is rather than what he can do that is germane to his jobs, and vaguely delimited relationships. Furthermore whether the conversion is to be carried out on a predominantly private enterprise basis or a governmentally controlled basis, administrative talent of a remarkably similar sort is a minimal requirement. In the absence of a group relatively easily converted for these purposes as in the case of Japan, one must be trained. On the balance it is probably doubtful that many of the so-called "backward" areas have a group that is relatively speaking so easily convertible for these purposes as were the merchants in Japan. Finally, another special aspect of control related to both the general need for control cited above and the need for a specialized form of talent must be mentioned. If the conversion is to be successful in the sense of being smooth and rapid, there must be patterns in the society that neutralize at least the possibility of interference from members of those groups that cannot be readily converted for the new purposes. Such patterns have been conspicuously absent in the case of China so far.

There are numerous other problems that must be taken into consideration in the full discussion of these problems of conversion. The "demographic problem" is perhaps the most obvious of these. In general these have not been touched on here because in the particular cases presented here they could be

(9) In the sense of the term used here conversion to a relatively industrial form does not necessarily mean preoccupation of the economic aspects of the system with either light or heavy manufactures. Predominantly agrarian or commercial systems may become highly industrialized, and one of the characteristic problems of this sort of conversion is that relatively non-industrialized parts of the society are made interdependent with or even completely dependent upon the more industrialized portions of the society long before they are themselves converted in any obvious and direct sense easily appreciated by the persons involved. When this happens, it is very likely both to retard the development of industrialization in some respects and hasten the disintegration of the patterns characteristic of the non-industrialized portions of the society. But in any case the persons concerned are then involved in industrialization, and so far at least, the change has continued to run in the direction of industrialization and not the reverse. The future may hold a change in these respects, but so far the patterns of highly industrialized societies have shown themselves to be remarkably close to a universal social solvent.

considered both constant for the two cases or not strategic for them. There is no reason to believe that this will be the case with other societies.

Finally, this paper has emphasized the importance of social patterns that facilitate a continuance or institution of tight centralized controls for rapid progress toward industrialization. I believe that to be a sound emphasis in this case, but one must not infer from this more than is stated. It by no means follows that high degrees of industrialization achieved in a manner such as that of Japan are stable in the long run. There is some reason at least to raise the question as to whether any highly industrialized society is not most precariously balanced as a social system. Even apart from this general question, however, those late-comers to industrialization that have carried it far and fast on a highly controlled basis show some signs that may be interpreted as indicative of even greater instability than seems general in those societies that acquired industrialization slowly over an extended period of development. Japan, Germany, and Russia are the only late-comers who have been conspicuously successful at industrialization. No late-comer has yet gotten far with the process by the slow gradual development route, and indeed the stage of industrialization reached elsewhere may already preclude that route for others. It may well be that the lessons we shall learn from the comparative analysis of the problems of industrialization will have implications for social engineering in an unexpected quarter. They may get us further in the stable maintenance of those societies already having achieved it than in the rapid, easy, and efficient transformation of the societies whose members either appear to "need" it or desire it or both.

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SOME REFLECTIONS ON THE STATUS OF ECONOMIC
DEVELOPMENT IN SOUTH AND SOUTHEAST
ASIA: REPORT OF A TRIP

1. Introduction

In the first quarter of 1953, I spent several weeks each in India, Pakistan, Burma, and Indonesia with a brief three-day stop in the Philippines. In the course of this trip, on official government business, I traveled about 35,000 miles: 31,500 miles by plane; 2,500 miles by car; 400 miles by boat; and 600 miles by train. I spent about 8 or 9 days in transit within and between the countries visited; about 22 days outside the capital cities visiting development projects; and the remaining 30 days in discussions with Embassy and host government officials. These discussions included extended meetings, of about 1 hour or more in length, with approximately 120 people, of whom about 45 were officials of the host governments of India, Pakistan, Indonesia, and Burma, and the remaining 75 Embassy representatives, including the Ambassadors or chargés and the TCA country directors, in each country. I visited the following major projects in most of which the US is participating with the host government concerned:

PHILIPPINES

Los Banos Agricultural College and Forestry College
PRISCO Small Industries Project

INDONESIA

Corn Breeding and Agricultural Research Institute — Bogor
English Language Institute — Djokjakarta
Six technical schools — Semarang, Kudus, Patih
Ship building yard and fish market — Djuana
Ceramics Training and Development Institute — Bandoeng
Nurses Training School — Bandoeng
Ceramics Small Industry Centrale — Plered

BURMA

Port rehabilitation — Rangoon
Agricultural Experiment Station — Hmawbi
Dairy farm — Insein
Veterinary College — Insein
Aung San Rehabilitation Center — Insein
Aung San Health Center — Insein
Reclamation and sluice gate project — Yandoon
Irrigation project — Maubin

PAKISTAN

Village Development Training Center — Quaidabad, Punjab
Fertilizer plant site — Daud Khel
Thal Reclamation and Irrigation Development

INDIA

Community Development Projects: about 30 villages in three project blocks: Sonnepat — Punjab; Nilokheri — Punjab; Bhadson — PEPSU

Three tube wells and 2 tubewell sinkings, two model farms, and two village worker training centers

Damodar River Valley Development: Tilaija, Konar, Maithon, Panchet Hill, Bokaro Thermal Power Station, Sindri Fertilizer Plant.

This report embodies some of the major impressions and reflections induced by the trip. The report is comparative, cursory, and synoptic. It does not attempt to go into detail on specific projects or countries. I hope to undertake a more extended treatment of particular cases in a sequel to this paper. Whatever merit these impressions and conclusions may have, it is hardly likely that they will convey any adequate sense of the tremendous, if inchoate, mobilization and movement which one senses in South and Southeast Asia today and which may become the most significant development of our time. Needless to say the views expressed are personal and do not represent the opinions of any public or private institutions.

2. Regional Progress to Date

To the casual observer, the initial impression which Asia conveys today may still be one of insuperable problems and needs, and of unchanging and lethargic mass. Closer inspection provides demonstrable and measurable evidence that economic progress and development are underway in the region.

This trend is identifiable at widely different places and at different levels of the economies and societies concerned. In a social sense, the changes underway are deep and dramatic — although seldom quantitative. They are symptomized, for example, by the gradual diminution in the observance of purdah by Pakistan women in cities and villages alike; by the organization of teams of villages to shoot pillaging monkeys, formerly treated in India with the respect due human life; and in the castration of bulls in East Punjab. They are reflected too in the free and informal association of high caste and Harijan workers in the Industrial area of Jamshedpur.

In an economic sense, progress and development are occurring not only at the so-called "grass roots level" but at the "timber and brick" level and the "steel and concrete" level as well. Yet this development is still in its barely formative stage, and is by no means firmly congealed. It is still small and limited in relation to the size of the economies and problems involved. Because of this relation, identification and measurement of development is still obscured by consideration of national economic aggregates such as production, income, employment, investment, trade, wages and prices. The size of the economies involved, and the existence of independent cyclical and secular trends in these economies still tend to dominate these familiar aggregative indexes. As a consequence the indexes frequently hide rather than illuminate the development and progress which are actually underway.

Similarly, from the narrower viewpoint of the US programs in the area, the familiar aggregative fiscal measures of obligations, sub-obligations and expenditures, do not yet provide any adequate indication of the actual progress that is being made. These indicators have been slow-moving in the inevitable and time-consuming process of tooling-up for these programs — a process as necessary as, and perhaps even more complicated than, the tooling-up required

for defense production at home. But in this process, progress is already demonstrable at the level of the specific project and the individual technician.

To demonstrate the development which is in process in Asia today requires a shift in attention from generalities and aggregates to particulars. To understand the real progress which is being made we must deal with specific examples and projects. The following are examples of projects about which there is an impressive, and measurable, story to be told of how and how much progress has been made through the co-operative use of US funds and technical services, and the resources of the host governments. In Indonesia, the ceramics small industry project at Plered (as a result of which potters' wages have risen by 50% in 6 months), and the fisheries boat building and mechanization project at Djuana (which has increased the take-home pay of fishermen 500-600% in two years); in Burma, the reclamation project at Yandoon Island (which is reclaiming 320 acres of land for food cultivation per year and will amortize the original investment in six years); at Insein, the Aung San rehabilitation project (which is giving 4,000 former Karen POW's, including families, job training in machine shops, forge operation, house construction, and wood work); and the rehabilitation of the port of Rangoon (which has doubled port capacity in two years); in India, selected rural development projects such as those at Sonnepat and Nilohkeri in Punjab and Bhadson in PEPSU, and the Damodar multi-purpose river valley development in Bihar; in Pakistan, the Thal Development complex, involving irrigation, reclamation, housing, and small and larger industrial development are all cases in point. These are by no means the only or even necessarily the most impressive projects in terms of progress to date. They are, however, projects which I have seen, and which suggest the tremendous process now unfolding in Asia.

3. Some Comparisons among the Asian Countries

Notwithstanding the above generalization, there is a wide difference in the relative rates of progress being made in the four major countries which I visited. Though this judgment is as much a matter of feeling and impression as it is of demonstrable fact, in terms of overall political and economic progress, I would rate the countries in this order: Burma, India, Indonesia, and Pakistan. More significant than this numerical order seems to me to be the judgment that in Burma and India there is a predominance of forward movement, while in Indonesia and Pakistan I do not believe this is presently the case. I would define and appraise "forward movement," in terms of the following categories (not because they are the only categories for comparison, but because they seem to me to be the most illuminating):

a) Government stability — by which I mean the confidence, conviction, control and energy possessed by the established central governments, especially as these are based on a sense of rapport and contact with, and support from, the broad mass of the people. It is hard to overemphasize the psychological as well as political importance of the national elections which were held in Burma and India during 1952 in establishing a sense of contact between government and people, and in providing a basis for crystallizing and implementing programs of economic and social improvement. In both countries there is a strong and effective leadership which is respected and recognized as such both within the government itself and in the countries at large. There are, it is true, organized and strong opposition groups in both countries; yet there is a sufficient sense of unity and purpose to encourage positive programs to go forward. In Indonesia and Pakistan there have been no national elections to date. To some extent this is the cause, to some extent the effect, of the weakness, uncertainty and ineffectuality of government in these countries.

There seems to be something less than confidence in, and respect for, the national governments in these countries not only among the people, but to a considerable extent within the governments themselves.

b) Physical security — For the kind of comparison which I am suggesting, the relative security conditions prevailing in the four countries concerned are less important than the relative trend (of improvement or deterioration) in these countries. For example, more of Pakistan can be safely traversed than is the case in Burma. The more significant fact, however, is that in Burma there has been a trend of improvement in security conditions, with government forces occupying what have hitherto been insurgent areas in the Irrawaddy region, in Upper Burma and the Tenasserim. Additional centers in the rich Irrawaddy delta region above Yandoon were occupied by Burmese Government forces and a permanent civil administration established there while I was in the delta area in mid-February. On the other hand, in Pakistan there has been a perceptible growth in disturbances and riots. I was in Lahore during the second week in March while martial law was in effect in response to the anti-Amediya riots, in which, allegedly, the army killed or wounded 1,000 in re-establishing order. Though these disturbances have been religious in origin, and though the Pakistan army has remained in control, the disturbances themselves are symptomatic of the frustration and dissatisfaction which are rife in the country.

India and Indonesia present an equally sharp contrast. Although I saw demonstrations and parades by Communist youth groups in Calcutta after Stalin's death on March 8, surprisingly enough they seemed to be mild and almost half-hearted — there was no question or threat of disorder. By contrast, while I was in Indonesia, the government announced the number of killings by bandits and organized dissidents in West Java during 1952: 1860, the highest annual figure by far since Indonesia acquired its independence in December, 1949.

c) General Economic and Financial Situation — Although for different reasons, Burma and India have been far less affected by the slump in international commodity prices of the last ten months than have Indonesia and Pakistan. Prices for rice, Burma's predominant export, have remained at high levels through 1952 and 1953, though more recently there has been some softening in the international rice market. As a consequence, Burma's imports, budgetary outlays for development, and general financial outlook have remained strong and favorable.

India, with more diversified exports which have been less seriously hit in recent months than those of some of its neighbors, and with some anticipatory curtailment in imports in 1952 (which, at that, was probably unnecessarily severe) finds itself presently in a fairly stable external payments position. Its budgeted outlays for development have been considerably increased in 1953-54 over last year's and its imports may be also increased. Finally, food production continues to be relatively satisfactory, the daily ration is being slightly increased in some parts of the country and food imports have been reduced by more than 1 million tons from the previous year. (Lest these indicators be construed too favorably it should be emphasized that they are being presented in summary order for comparison with Indonesia and Pakistan where the corresponding indicators have sharply deteriorated. Interpreted in relation to need, the indicators are far less impressive.)

By contrast, both Indonesia and Pakistan have been severely affected by the deterioration in the international prices of their major exports (i.e. rubber, copra and tin for Indonesia; jute and cotton for Pakistan), in relation to the

prices of their major imports. In both countries foreign exchange reserves have declined by 40 per cent and 50 per cent respectively in the period from March 1952 to January 1953. While I was in both countries, severe import controls were imposed which may be expected to have a cumulative effect on economic stability and development. Concomitantly with the reduction in trade, budgetary resources, which largely depend on foreign trade in both countries, have declined. This decline has come precisely at a time when budgetary resources for economic development should be increasing in terms of political and social requirements. Pakistan has been especially hard hit by the combination of these circumstances with an unusually poor food crop in prospect which will further strain its already overburdened finances by necessitating perhaps 1 million tons or more of food imports in 1953-54. At the same time in Pakistan there have already been sharp domestic price rises and increased urban unemployment, stemming from the newly-imposed import controls. Indeed, there is little question that Pakistan's present economic and financial situation is the most serious in all of free Asia. The recent US grant of 100 million dollars in food grains was a needed response to this situation.

d) National Development Programs — A national development program must include at least these elements: (a) a clear and agreed statement of specific objectives; (b) an elaboration and delineation of objectives in terms of specific methods and projects for accomplishing these aims over a defined period; (c) a detailed estimate of the financial, material and manpower requirements for these projects; and (d) a projection of resource availabilities for meeting these requirements and of additional technical and financial requirements, if any, from external loans, other investments, or grants.

The most significant point of comparison between the four countries I visited in respect to national development programs is the plain fact that two of these countries, Pakistan and Indonesia, do not really have such programs, in the sense defined above, while India and Burma do. Notwithstanding Pakistan's submission to the Colombo Plan of a so-called "Six Year Plan," this submission is at best an outdated paper plan and in no sense is either a financial or an operating program for the nation's development. There are welcome signs that the Government of Pakistan is actively working to fill this gap.

The national development programs of India and Burma possess a number of advantages which both contribute to and derive from the generally improving situations in these countries. In the first place, they provide a concrete framework for determining national priorities and thereby facilitate annual budgeting and government operations. Secondly, they help provide a convenient measure of progress in relation to agreed targets. If the progress is satisfactory, the existence of the original national programs helps to strengthen and stabilize the responsible political leadership. Thirdly, and perhaps most important, they offer the tremendous psychological appeal of a positive, coherent and dramatizable national symbol. India's Five Year Plan and Burma's "Pyidawtha," or "Prosperity Plan," have become or are becoming in these countries the most widely known symbols of national unity and purpose, and the expression of newly independent democracies in action. That the U.S. has played an important role in the formulation of Burma's development plan is in fact one of the most significant accomplishments of our assistance programs in the area.

e) U.S. Technical and Economic Assistance Programs — I would rank the relative degree of success of the four US assistance programs to date in roughly the same order as the general characterization of the situations in these countries: Burma, India, Indonesia, and Pakistan. To some extent this differ-

ing success — both in terms of physical accomplishments and host government reactions — has contributed to the overall improvement or deterioration in the countries' situations; to some extent the status of the programs is rather the result of these situations. In both India and Burma there has been the fortunate combination of friendly relations in the field of program policy and tangible program accomplishments (the latter most notably, perhaps, in the rehabilitation of the port of Rangoon in Burma, and in the initiation and implementation of community development in India). As a consequence, the US programs in these countries are highly regarded, and their contribution to the countries' present and prospective development plainly recognized.¹

In Indonesia, there have been several important tangible program accomplishments, notably in the field of small industries and fisheries. To some extent, however, their overall effect has been nullified by less than friendly and co-operative relations in the area of program policy. Future progress in the conduct of the US program in Indonesia will depend on demonstrating there what has already been shown in India: namely, that, without "strings" attached, the primary aim of program policy is to develop and implement constructive and productive projects which will accelerate national economic development.

In Pakistan, there has been little in the way of tangible project accomplishments to date. But there is a friendly and increasingly firm relationship between US and Pakistan leadership associated with program policy. This promises well for the future of the program. The realization of tangible program accomplishments, especially in such fields as fertilizer import, fertilizer manufacture and village development, is close at hand in Pakistan.

4. Technical Assistance and Capital Grants

From the many discussions of this subject, both in and outside the Government, there has, I believe, evolved a moral code involving these at least tacit propositions:

a) that technical assistance projects, — in the sense of those having a relatively large technical services component with supplies limited to what are directly needed in demonstrating these services, — are inherently "better," preferable, and more advantageous for the U.S. and the host countries than are "capital" or quasi-capital projects.

b) that technical assistance projects are of a higher priority, as a general rule, than capital projects.

c) that capital grants tend inevitably to "corrupt" the host government and to promote irresponsibility in the administration of national economic development programs.

From my observation of about forty US assistance projects of both types in India, Pakistan, Burma, Indonesia, and the Philippines, I would offer these observations:

a) There are many capital projects which from the standpoint of measurable economic impact, as well as political and psychological impact, have been of direct assistance to economic development in these countries and to advancing the interests of the United States. To mention only two examples:

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- (1) This statement I believe to be true notwithstanding the recent Burmese Government note requesting the termination of the US economic and technical program because of a political issue unrelated to the conduct of this program.

The strikingly successful initial rehabilitation of the Port of Rangoon, involving an expenditure of \$2.6 million over the past two years, has probably had a more direct effect in increasing food availabilities for all of South Asia, and on employment, output and general economic activity in Burma than any other project in Burma's development program; the fertilizer plant in Daud-Khel, Pakistan, involving a US commitment of funds to date of \$7 million has already had a considerable psychological and political effect — (borne out, for example, by the testimony of the Pakistan delegate to the recent ECAFE Conference in Bandoeng in reply to Soviet attacks on US assistance programs) — and has already begun to exercise a stimulating effect on general economic activity in the Thal area in anticipation of future construction and production.

b) There are some technical assistance projects which have been failures because of the unsuitable attitude or qualifications of the US personnel, as well as because of the unexpectedly difficult circumstances under which they have had to work.

c) To keep this discussion in balance, it should be emphasized that the converse of both the foregoing observations is also valid: some "capital" projects in Asia have not been effective; for example, fertilizer import and distribution in Indonesia has evidently been loose and in some measure wasteful; and many technical assistance projects have had striking effects on methods, attitudes and progress. Some of the work of the US extension advisers, connected with the Community Development program in India, has been especially notable in this respect.

d) The key factor determining the effectiveness and success of US assistance projects is their soundness in terms of clear identification of purpose, care in planning, and efficiency and understanding in implementation. Whether or not the project concerned has a large or small component of services rather than supplies will not in itself make the project's success more likely. Here at home, the appeal of the "Point IV" label — equated with smallscale, technical assistance services and excluding capital aid — has been the appeal of virtue and humanitarianism at a low price. In practice and on the job in Asia, technical assistance and capital aid are equally valid, necessary, and constructive when they are soundly conceived and executed. Either can be a failure if improperly applied.

e) In the case of the most effective US assistance projects which I saw, supplies and equipment and technical assistance are closely related from the broad viewpoint of project planning and project implementation, but not necessarily from the standpoint of day-to-day project operations. Quite frequently, in terms of the technological requirements of a particular project, necessary supplies comprise far more than what can reasonably be construed as "demonstration" or training equipment directly connected with the work of US technicians. This is true of the equipment for the small industries program in Indonesia; of the steel and concrete for the irrigation and reclamation projects in Burma; and of the earth-moving equipment for river valley development in India.

f) I saw no indication in the twenty-two days which I spent visiting projects receiving US assistance that capital grants for equipment and supplies, — where extended under the usual conditions of joint programming, internal financing by the host government, and project reporting and review, — promote irresponsibility in the recipient government or exercise a generally "corrupting" influence on the receiving country. With the possible exception of the Philippines, and Pakistan (where I did not feel there was sufficient experience to date on which to base a judgment), I had the definite impression in each country

that the host government is at least as anxious as we are to cut down or eliminate US assistance, both technical and capital, as soon as the need for such aid subsides. Again excepting the Philippines and Pakistan, I did not sense any tendency to regard our aid as a permanent "handout" which reduces the pressure on the host government to mobilize its own resources and stand on its own feet.

5. Program Emphasis - Agriculture versus Industry

In each of the Asian countries I visited, increased food production is the primary program objective. In Burma, this objective consists in helping to more than double present food exports to reach the pre-war level of 3 million tons. In India, Pakistan and Indonesia the corresponding targets for helping increased food production would reduce total grain imports by nearly 7 million tons in all. Some Burmese officials suggested to me that American assistance programs in Asia seemed to be mutually inconsistent since they simultaneously aim at raising food exports and reducing imports. Nevertheless, I have the impression that this primary emphasis on food production is amply justified and that no basic inconsistency is involved for these reasons: first, because there is a strong likelihood that some of these targets will fall behind schedule; second, because even if the targets are reached, there is more than enough need for the total increased production as a means of raising per capita consumption in the whole Asian region; and thirdly, because the U.S. should properly help to establish food self-sufficiency in each Asian country, in order to avoid repetitions of the emergency food loans which are becoming endemic to the area. Although supporting our present efforts to assist in raising food production, I believe that program consideration of the industrial field, and particularly, small and rural industries, has been insufficient. Increased emphasis on industry in the US assistance programs is required for these reasons:

a) We have not adequately realized or formulated the close relationship between increased industrial activity and increased agricultural output. Boat building, food canning, processing, storage, transportation, metal-working and tool manufacture, to mention a few: — are industrial fields in which technical assistance can directly contribute to increased food availabilities.

b) We may help the Asian countries to realize their food goals and still not achieve US political objectives in the area. As Ambassador Bowles put it, "India may attain the food goals of its Five Year Plan and still be lost to the free world." The problems of rural and urban unemployment, especially, require increased industrial development if meaningful solutions are to be found.

c) For reasons that are not entirely clear to me, industrial ventures seem to be inherently more "dynamic" than agricultural ventures. The tendency to accept rapid change and innovation, the proclivity for concerted and swift action, the incentive for plowing back earnings into plant improvement and expansion, seemed to be more characteristic of the industrial projects which I visited than of the agricultural projects. That is to say, I had a sharper impression of activity and movement in the industrial projects, generally, than in the agricultural projects. The small industries work and the building of fishing boats in Indonesia, and the river valley development of multi-purpose dams (which I identify here with "industrial" undertakings to differentiate them from rural agricultural work) particularly impressed me in this respect. These considerations should be of particular importance in guiding the formulation of programs which, above all, must aim at seeking to stimulate a process of self-generating economic development in Asia, rather than a series of useful projects.

At the same time, modern, large-scale industry in the volume which, financially or technically, can be undertaken in the near future in Asia is hardly likely to have any great effect in reducing the present wasting of Asia's potentially richest resource, its labor. By and large, such industry tends to be capital-using and labor-saving. The Sindri fertilizer plant, for example, — a \$60 million enterprise which is the largest plant of its kind East of the United Kingdom, — employs only 3,000 people. The proposed \$17 million Daud-Khel fertilizer plant in Pakistan, will employ only about 500 workers when in full operation. By contrast, in one small industries project which I visited in Indonesia, an investment of \$4,000 in rupiah funds in one improved potter's shop employs 10 workers. Assuming a similar capital-labor ratio, an investment in such small industry, in the magnitude of Sindri's capital costs, would provide employment for 150,000 workers.

To deal with the key problem of unemployment in Asia, we need to undertake more analysis of, and attention to, those small and rural industries which are heavily labor-using and yet may be relatively competitive at least in meeting the demands of indigenous markets. In this field, the Indonesian small industries program, — embracing training and research institutes, and central co-operatives for materials purchasing, for initial processing and for providing credit for working and fixed capital, — is considerably ahead of any similar development in the other countries which I visited.

6. Opportunities for Technical and Economic Assistance on a Regional Basis

One of the impressions which I acquired from moving consecutively through the various countries in the area is that each of the countries and each of the US country programs is far ahead of the others in certain particular fields of activity which have relevance in the other countries as well.

I have already mentioned that community development in India, organizationally and operationally, is considerably more advanced than comparable work in the other countries. Multi-purpose river valley development in India is also ahead of comparable work elsewhere in South Asia.

In Burma, there seemed to be special experience in certain irrigation and reclamation projects in the Irrawaddy region, which, for example, would probably be of direct relevance and applicability in the Ganges delta region of East Bengal in Pakistan. The rehabilitation and vocational training of ex-Karen POW's is another field in which Burma had gained valuable experience, which might perhaps be applicable in Indonesia.

In Indonesia, I have already mentioned the special progress that has been made in small industries and fisheries projects.

In the Philippines, also, work in the agricultural and forestry colleges is advanced beyond similar work elsewhere in the area.

An interchange of information in such fields, and the co-operative implementation in some of the Asian countries of projects which, under comparable conditions, have already been successful in another Asian country would have several real benefits in the area:

First, it would stimulate the extension more widely throughout the region of the best operating experience that is being accumulated in each country. In effect, each country in the region would be, in some fields, a proving ground from which others could benefit.

Second, it would promote intra-regional co-operation around a theme which

has direct meaning and significance to all of the countries concerned: the theme of demonstrated experience in successfully operating particular economic development projects.

In this connection, I believe that the US should consider the feasibility of stimulating such an interchange of information and a "transplanting" of already successful projects from one country to another. A US effort in this direction might take the form of contributing to a Fund for the Exchange of Asian Development Projects, whose purpose would be to finance the interchange of information and of projects, including the capital equipment component of such projects, which are already successfully operating in one country. The participating Asian countries would contribute their own currencies according to a quota arrangement; the quota, for each country, in turn determining that country's drawing rights on the Fund. The total local currency contributions to the Fund would, in the aggregate, equal the US contribution. Drawings on the Fund would be for projects worked out co-operatively with one of the Asian countries, which country had been certified by the member countries of the Fund as already successfully operating similar projects itself. The members of the Fund, including the US, would have to approve the project and the drawing of dollars and any other currencies to meet the external costs or generate the internal costs of the approved project. For example, if Indonesia is recognized and certified by the Fund as having made the most progress, according to agreed technical criteria, in the small industries field, then small industries projects to be financed from the Fund would be worked out jointly with Indonesia, subject to approval by the Fund members. Such drawings would be on loan terms analogous to IBRD loans and would only be made in cases where the IBRD was not able or willing to finance the undertaking proposed. Though less far reaching than certain other possible regional institutions, this arrangement might be less contentious than, for example, a regional currency union or a fund for financing regional trade — though it would contribute and perhaps lead to the same objectives as would such institutions.

7. Expansion of U.S. Private Investment in South Asia

In the many discussions of the question of expanding American private investment in Asia, it has frequently been suggested that the most important single factor deterring such investment is the unfavorable and even hostile attitude on the part of host governments to American investment. From the talks which I had with senior government officials in three of the Asian countries that I visited, as well as with some of the US representatives in these countries, I do not believe that such hostility is presently a major obstacle to an expansion of US investment in the area. On the contrary, in Pakistan, Indonesia and Burma, where I discussed this subject directly with representatives of the host government, and in India where I discussed it with US representatives who have dealt with this problem, I had a definite impression that there is now a real interest in attracting American investment to these countries. At the same time, there is considerable uncertainty and doubt concerning:

- a. the interest or profit rates which American loan or equity capital requires to be induced to invest in Asia in the light of attractive alternative opportunities for investment in the US, in Canada, and in Latin America;
- b. the particular fields in which American industry is most willing to invest abroad; and
- c. the methods which the host governments should adopt in order to attract American investment.

I had the impression that these questions were raised as a result of some serious consideration that is already being given to this issue in these countries. In connection with c. above, I was told by the Minister of Finance in one country and the Secretary of Finance in another that what they are anxious to do is to take measures that will really be effective in attracting American investment. They want to avoid measures which will simply result in publicity without producing any of the concrete advantages of an inflow of foreign capital. If there is reasonable prospect that economic advantages will result from foreign investment, I believe these governments are now willing, if not anxious, to chance the possible political liability of trying to attract private foreign investment.

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THE VILLAGE PANCHAYAT AS A VEHICLE OF CHANGE

A role of paramount importance in India's plans for land reform and economic development has been assigned to the village panchayats.¹ On top of their normal functions in the field of justice and local self-administration, the panchayats are now called upon to frame the economic goals for their villages, raise the standards of cultivation, serve as the channel for government assistance, and spur the voluntary contribution of labor for local improvements. In the field of land reform, the panchayats are to be charged with enforcing tenancy legislation, safeguarding the interests of landless tenants, helping to arrange minimum holdings for small owners, and selecting landless peasants to be settled on lands taken over from larger landholders. These constitute an extraordinarily heavy load of responsibilities. It may be worth inquiring to what extent the panchayats will be able to bear such a burden, and whether it will be wise to entrust such important tasks to the panchayats.

The view is widespread in India that her hundreds of thousands of villages are integrated living entities, and as such constitute the obvious units of rural progress. The countryside may appear poor, and the peasant's life hard, but the villagers are believed to retain certain virtues which the town dwellers have lost, most notably simplicity, self-respect, and sense of social participation. Village life is more harmonious than city life. The exclusive employment in agriculture or crafts directly related to cultivation promotes strong feelings of mutual interdependence. Each individual or family has a place of its own in the social structure of the village, and accepts this position unquestioningly. In such a setting the panchayats are conceived, in the words of the First Five Year Plan to represent "the best interests of all sections of the community."

Basically, it seems to me, this viewpoint is Rousseauian. It has been developed by town-dwellers and spread by them to other town-dwellers. The picture it presents has only a limited relation to the realities of village life. A case can be made out, I believe, for characterising the villages as shot through with rivalries and discord; for describing village relationships as both intricate and unstable; and for considering a goodly proportion of villagers as motivated by cool self-interest.

The fundamental error in the idealized version of village life is that it underestimates the extent, the depth, and the antiquity of the disparities characteristic of all spheres of Indian rural society. That such underestimation should have a wide currency is not surprising. To an outsider villages and villagers tend to look alike. In any given area the uniformities in village life at first sight far outweigh the differences. And when one comes from the dyspeptic crowds of the towns, the sturdy spirit of the people who dwell in the countryside brings a refreshing change. The fact that the conditions of rural existence force the villagers to do more things for themselves than townsfolk

(1) The village panchayat (literally group of five) is a traditional Council of Elders. It is widely, though incorrectly, believed that panchayats were universal in ancient India. By the opening of the twentieth century, functioning panchayats were to be found in only a small minority of India's villages. Since 1947 the Government of India has been trying to revive and introduce panchayats throughout the countryside.

and thereby to acquire a self-reliant dignity, however, should not be allowed to blur the profound inequalities — economic, social, and political, which form the very basis of village life. First hand inspection of the villages which look so uniform from the moving railway coach or the passing motor car reveals a startling range in human fortunes. There are peasants who are completely landless, and peasants who hold dozens if not hundreds of acres, and perhaps one or two tubewells. There are peasants who have no houses and peasants who live in multistoried mansions. There are peasants who own not a single goat, and peasants with impressive herds of cows, bullocks, or buffaloes. There are peasants with no current food reserves and peasants who can show you large bins of stored cereals. There are peasants whose credit standing is so poor that they cannot borrow a rupee, and peasants who have grown so prosperous that they have taken up money-lending as a sideline. There are peasants who tramp several miles daily for employment in cities or mines and there are peasants who have set up their own enterprises such as brick kilns. Similar contrasts between have and have-nots with a considerable range of notches in between may be found in respect of farm implements, household furnishings, clothing, jewelry, and education.

We are safe in asserting that the peasants who are best-off economically are, by and large, the ones who also enjoy the most esteemed and privileged position socially, and are the ones who have the controlling voice in the political life of the village. Where panchayats exist and actually function, these substantial villagers dominate either in membership or in the setting of panchayat policy or in both. The poor and the landless, if they figure in the political scene at all, are to be found far in the background. According to India's most hallowed traditions, this is exactly as it should be. As far back as the Buddhist Jataka tales, which were current well over two thousand years ago, we can find evidences in Indian literature of pervasive inequality in village as well as urban life. Within the village, the "lower orders" appear to have functioned as servants or menials of the superior folk, who alone were considered as proper members of the village community. This hierarchical type of village organization with a sharp horizontal cleavage between a relatively small group of families at the top and a descending range of dependents and servitors has persisted into the nineteenth and even the twentieth century. The economic impact of British rule during the past two hundred years shook these relationships, but did not put an end to them.

From the long-term point of view perhaps the most significant development in contemporary India is the fact that the traditional village structure appears to be giving way. The old order characterized by the domination of the few and the subordination of the majority has been seriously challenged. This holds true, I venture to say, both in areas where caste has been strong, and in areas where it has been weak. It is true in regions which have enjoyed relative economic prosperity in the war and post-war years, and also in regions which have suffered economic deterioration whether from prolonged drought or any other causes. The high caste village "landlord" — whether Thakur, Rajput, Jat, Brahman, or Nayar — is no longer the unquestioned lord of the land. He is even less the unquestioned leader of the poor and low-caste villagers who labor on the land.

It would be too much to expect changes of such magnitude to proceed calmly and without commotion. Too much is at stake, not only economically, but in terms of social privileges, pride of place, and the exercise of political power. In almost any recent account based on first-hand field study of village life we will be struck by descriptions of one or more forms of conflict between the established families of the village and their erstwhile self-acknowledged inferiors.

I propose to outline here the relevant findings of a few recent village studies in widely separated areas. The articles from which I have taken data and quotations have been chosen from a series of reports on post-independence village research projects which have been published from time to time since October 1951 in *The Economic Weekly* of Bombay. Before proceeding to the individual villages I should like to ask the reader as he peruses these sketches to bear in mind two questions: Can the village be mobilized to act as a unit for purposes of economic development? What meaning can be given to the Planning Commission's statement that the panchayat represents "the best interests of all sections of the community."

We may begin with Eric Miller's observations on "Village Structure in North Kerala" (*Economic Weekly*, February 9, 1952, Vol. IV, 159-164). This study of an out-of-the-way area reminds us that there are parts of India where it is very difficult to say what constitutes a village or a village community. In northern Malabar village settlement is scattered rather than compact; village boundaries are often arbitrary; and clusters of families and caste groups may have more to do with a neighboring village than with their own. Traditionally in this part of Malabar (India's southwestern coastal area) the village head came from the wealthiest Nayar family, that is, the family with the most land. "Judicial authority," Miller tells us, "neatly coincided with political authority and economic power."

With the coming of the British about 150 years ago, some of the Nayar families were able to hold on to their lands and their privileged position, while others went under. In many villages today the importance of the traditional headman family has dwindled and the current incumbent may be "simply a low-ranking government employee with the appropriate residential and educational qualifications." Such a village, according to Miller, is likely to be less of an entity "and much more caught up in the groupings and cleavages of modern society" than is the case in those villages where the original family has retained the headship. In these latter the real power of the headman springs not from his petty position in the governmental hierarchy but from the standing of his family as the principal landlords in a number of villages. Most disputants whose cases come before him are tenants on lands held by his own family. In these villages traditional ties and values persist more strongly than elsewhere, and they tend to weaken as and if the local Nayars, through excessive partition of family property, lose "their economic ascendancy and corresponding control." Panchayats have not been traditional in Malabar, and the prospects for their early emergence in the present setting would seem poor.

At first glance the outlook for panchayat leadership might appear more hopeful in Kodagahalli, analyzed by M. N. Srinivas in "Social Structure of a Mysore Village," (*Economic Weekly*, October 30, 1951, Vol. III, 1051-56). Here we have a relatively large South Indian village situated twenty-odd miles from Mysore city and marked by the conservative force of three temple-shrines. Interdependence among the various cultivating and artisan castes is strong; the traditional system of paying village craftsmen and servants in paddy and straw persists; the people of this village "are well-known for their love of peace." Nevertheless, we learn, there are factions in the village, each one having its own recognized leader. "These factions are preventing the working of the village as a unit." Also the village is divided along class lines. The upper-caste families enjoy the services of the untouchables both as house servants and as field laborers. There used to be a system, now greatly weakened, whereby entire low-ranking castes were linked in servitude to specific high-ranking castes. Among other duties, the untouchables used to take away dead

cows and bullocks from their masters' houses. Today the same untouchables resent these jobs which are felt to be degrading, and are beginning to refuse to do them. "But the upper castes want them to continue performing them, and there is friction."

Although Srinivas mentions the village panchayat as a feature of rural life all over India, he does not once in this article refer to the village panchayat of Kodagahalli, nor can we be sure that such a body actually exists. We do learn from Srinivas that there is a caste headman for the Okkaligas, a caste of cultivators who form the largest single group in the village. There is also a village headman who is himself an Okkaliga. Both headmen are well-to-do, and they are great friends. "Each supports the other in almost all matters."

Srinivas concludes by telling us that the ties which have held together this village community are strong and traditional. But they have been weakened in the last 150 years, and "the arrival of independence has marked a concentrated effort to snap them. What kind of village community will come to exist in the future can only be a matter for speculation."

Alan R. Beals, in his article on "Change of Leadership in a Mysore Village," (Economic Weekly, April 25, 1953, Vol. V, 487-92), describes a different village in the same part of India in which social change has been much more rapid and more dramatic than in Kodagahalli. Beals indicates that the traditional leaders of the village were relatively affluent Lingayat and Togata families. The Lingayats had been the greatest landholders and had furnished the hereditary village headman. In the twentieth century, however, largely because of proximity to the flourishing town of Bangalore, the character of the village changed. By 1952, its population included 10 government employees, 30 school teachers, 15 factory workers, and more than 30 "educated" small farmers. At a low moment in the village fortunes, when famine threatened in 1952, the Lingayat headman tried to "re-establish his caste as the highest in the village and to establish himself as the ruler of the village." The other villagers stood up to him and completely humiliated him. They went on to agitate against him, refused to perform any services for members of his caste, and stopped paying taxes. Thereupon the higher authorities dismissed the headman from office and chose a new one from a different caste. As in Srinivas's report, so also in Beals's, there is no reference to any village panchayat.

In her article, "The Social Structure of a Tanjore Village" (Economic Weekly, May 24, 1952, Vol. IV, 531-36), Kathleen Gough describes a quite different set-up. Here is a South Indian village in which the local landlords (mirasdars) have traditionally been Brahmans, who live together in a separate Brahman street. Other castes also have their own streets; one such are the Konars who have traditionally held land as tenants of the Brahmans; another are the Adi Dravidas, a group of untouchable landless laborers whose street is situated at some distance from the living quarters of the rest of the villagers. The members of each caste have traditionally been united by "similarity of occupation, of rights in the land, of income, and of ritual beliefs and practises." Within the village community the age-old power of the landlords has rested on the system of land tenure, on their power to evict tenants, and on the sanction given to the unequal relations between castes "by ritual beliefs and by moral maxims acceptable to the society as a whole."

Today the village possesses what Miss Gough refers to as the "relatively modern institutions" of village headman and panchayat board. The headman is a Brahman and, as for the members of the panchayat, "all are Brahmans, since Brahmans own the land of the village." This does not mean that the Brahmans continue to enjoy all of their old power. In the last fifty to seventy

years a large number of the Brahmans have gone away to the cities. Many visit the village only after the harvest to collect their rents. Such Brahmans scarcely know the names of their tenants, and are often ignorant of village circumstances and conditions. Other Brahmans have sold off their lands to middle-class trading families of a nearby town. (Miss Gough's village does not show the tendency, well-known in other parts of Tanjore District, for a few local Brahman landlords to concentrate the village lands in their own hands by purchasing from their Brahman neighbors.) Meanwhile two new streets have been built up in the village, settled by mixed non-Brahman castes, and including some traders and other middle-class elements. These "upstarts" resent and defy the old unquestioned position of the Brahmans in the village. Simultaneously the Adi-Dravidas and the poor Konar tenants are beginning to say that absentee Brahman landlords should not share in the income of the village, since "they no longer spend their lives in praying for the community and administering its affairs. . . ."

Miss Gough indicates, in short, that the old economic arrangements which formed the basis for "high-caste authoritarianism" are in the process of dissolution. "In Kumbapettai, the gradual drift to the cities of an educated aristocracy, the transfer of land to middle-class trading families of the towns, and the infiltration of a small, autonomous working-class group supported by urban forms of labour, have begun this process, and it may be expected to continue until the village has lost its traditional integration and become little more than a unit of neighborhood."

A village in Orissa (Eastern India) with a considerable degree of unity and integration is described by F. G. Bailey in "An Oriya Hill Village," (*Economic Weekly*, March 21, 1953, Vol. V, 326-28). The village, assembled as a group, has been strong enough to discipline one of its three Brahman families, and to isolate that family so that it did not receive the support of the other two Brahman families. Bailey warns, however, that the village is far from perfectly integrated. "It is a village maxim that the poor are helpless against the rich." One landholder, who also runs a flourishing business in the district headquarters town some miles away, has defied village conventions for years, particularly by cheating people in land transactions. "The panchayat is powerless. One victim won a case against him, but the rest are too poor or too ignorant to go to law." The landholder in question has so many resources and interests outside the village that "he is less dependent on his fellow villagers than are other men in Bisipara. This suggests that the more the village becomes integrated in the larger economy, by the private enterprise of men like this, the less of a unity it becomes."

A conservative community in Western India is described by G. Morris Carstairs in "A Village in Rajasthan," (*Economic Weekly*, January 26, 1952, Vol. IV, 75-77). This village used to be the headquarters of one of the great jagirdars² of Udaipur. Today jagirdari has been abolished, and the center of local government has been moved to a town ten miles away. In the old days there was no formally organized or recognized panchayat. Now a democrati-

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- (2) A jagirdar was the holder of a more or less extensive tract of land under a special grant from a Maharajah or other superior governmental authority, under which he paid either a nominal tax or none at all. The jagirdar often exercised in his person full or partial governmental authority. The land held under this system was called a jagir, the system jagirdari. During the days of the British rule, Rajasthan was the largest jagirdari area in India.

cally elected village panchayat is nominally the chief authority. The sirpanch, or head of the panchayat, serves as a sort of village mayor. But the panchayat has not yet won the respect of the villagers. Four of the richest men in the community, all moneylenders, keep entirely aloof from public affairs. Other men of substance assert their power tentatively. At the time of the study the village was split wide open by a feud between two groups of traders. "The dispute began over a struggle as to which faction should get control of the sale of rationed cloth; it has gone on to quarrels, fights, lawsuits, 'rigging' of the village panchayat elections. . . ." As the feud gathers momentum, "it is becoming increasingly difficult for the ordinary citizen to prevent his being drawn into one side or the other."

The question of the relationship of the degree of village unity, and the functioning of the panchayats on the one hand, and the requirements of economic development on the other hand is raised most directly by McKim Marriott in his article on "Social Structure and Change in a U.P. Village," (Economic Weekly, August 23, 1952, Vol. IV, 869-74). Marriott himself begins by telling us that "the social structure of many Hindu villages raises problems for concerted action which must be squarely faced by all who would speculate upon or plan for the real future of rural India." The village which Marriott selected for study lies in the Upper Ganges-Jumna Doab (i.e., the land lying between the upper reaches of the two great rivers which cut across the great North Indian plain). A few families from the top castes used to control the land of the village. Most of the cultivators had access to the soil only "on short-term unwritten leases granted by one of three families of a single line of landlords."

To borrow grain or money the peasants had to turn to these same families or to two or three of the wealthier tenants. The completely landless laborers were disabled by debt and typically had to work "year after year for one tenant or landlord master." In this setting the landlords, Jats by caste, maintained strong organizations of dependent followers and ran the village to their own satisfaction. They were the law. One of the landlords always held the post of police headman (mukhya). Even in the old days, however, there does not seem to have been "any form of associational behaviour which regarded the village as a unit in which all groups have a shared equity, or which looked on village problems as the problems of all." The landlord and money-lending groups "never organized the whole village."

The decisive change in the last few decades has been the headlong fall of the Jat landlords from absolute power. Five families of landlords and two of formerly affluent tenant lenders have gone bankrupt. Tenancy legislation has given the Brahman tenants increased security against the remaining landlords. Simultaneously the numbers of sub-tenants and sharecroppers have increased; for fear that these cultivators will gain tenure rights under the law, the landlords shift them from field to field each year or at least every two years. The landlords' old followings of old tenants, laborers, and servants have been dispersed. Meanwhile, under the U.P. Panchayat Raj Act, a village panchayat has been elected, and a rural court (panchayati adalat) has been constituted with jurisdiction over five villages. Although the landlords have lost their former absolute power, they are far from powerless. In the first place the new village panchayat never meets, and the panchayati adalati is composed almost entirely of landlords. The group which actually does the panchayat's work is "the old informal Brahman caste council representing one-quarter of the people and one-half of the land rights." The Jat ex-landlords "proudly abstain from this body," but manoeuvre as best they can through the remnants of their retinues and various other means. The record of accomplishments of the Brahman Council acting as village committee is meagre. Simultaneously

the landlords' organization and power beyond the village have grown. Members of the landlords' families have taken over "many government and party jobs which require a background of wealth and education which only their class possessed."

As Marriott sees it, the landlords' own hierarchy of dominance has been disrupted, and they themselves, like their tenants, are opposed in litigation, torn by competition, and aligned in factions. He sees little basis for concerted village action and little prospect for that "modicum of classless local co-operation" required by most programs for political, technical, or economic development of rural India. Can concerted action be achieved, he queries, "only by a more severe unsettling of basic structure than has occurred in any age of the past?" He concludes that "to ask the fifty-five kin groups of Kishan Garhi to continue to live by shifting alliances is to promote inaction or strife as much as co-operation. To entice them to delegate some of their loyalties for the work of the village as a whole is to lure the old social structure toward its sure destruction."

There is no need to cite further village studies or the mass of additional evidence available to make clear that the village panchayats, whatever they may or may not have been in the past, are not today tried and tested instruments for furthering India's economic development. Rather, where they exist or have been brought into existence, there are most typically amorphous bodies, weak and torn by strife.

The Planning Commission are not unaware that a "conflict of interests within the rural community" exists. In referring to the prospects for the landless laborers (who so often belong to untouchable castes), the Commission observe that "it would be difficult to maintain a system in which, because of accident of birth or circumstances, certain individuals are denied the opportunity of rising in the social scale by becoming cultivators and owners of land. It is, therefore, necessary to consider the problem in terms of institutional changes which would create conditions of equality for all sections of the rural population." In the last analysis, the instrument through which the Commission hope to achieve this momentous change is the village panchayat. The Five Year Plan suggests, in effect, that at the village level the agency for carrying through land reform and co-operative village management should be the panchayat.

Further consideration might lead to the conclusion that to rebuild village life would require far greater vision, authority, and popular support than is commanded by the panchayats anywhere in India. To approach the goal of rural economic development through the agency of the existing village panchayats would appear to be an exercise in frustration.

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THE GEZIRA SCHEME IN THE SUDAN AND THE RUSSIAN
KOLKHOZ: A COMPARISON OF TWO EXPERIMENTS:
PART III

III. Comparison

If we try to draw some conclusions from the foregoing surveys, then I think that the most remarkable feature of both systems is that a proof has been given of the extraordinary versatility of the human mind. If we imagine for a moment the situation both in the Gezira and in pre-socialised Russia, we typically find simple rural communities, where money played a very subordinate part; where traffic, both of persons and of goods, was restricted to the narrow limits of a few villages, sometimes, especially in Russia, going a bit farther to a small market town; where machinery was confined to a wooden plough and, in the Gezira, to a simple, cattle driven, largely home-made waterwheel, and where the social and economic organization was dominated by the family system.

In such an environment modern techniques, both of machinery and of organization, start to work, changing practically overnight age-old methods and purposes, bringing with them a complicated administration whereby a farmer's earnings are measured in a way no ordinary peasant can understand, making direct contacts with the world abroad and causing for him a far fetched dependence on events quite beyond their grasp.

Yet the organizers succeeded — more or less. If we compare both systems it seems to me that the great merit of the Gezira Scheme lies in the fact that it made a principle of providing every tenant with enough land to plant his own food crop. It should immediately be recognized that the peasant still has his private plot in the kolkhoz, but it is certainly not a part of the system; it is a concession, more or less grudgingly granted, as the tide of ideology and practical wants fluctuates.

How far could we say that this agricultural revolution had been prepared psychologically? Yugow shows that, in 1914, Russia had about 2 million members in rural co-operatives.¹⁴⁵ But the kolkhoz in its artel form is not a co-operative and even if we should call it so, then we cannot see that these 2 million members, forming not quite 7% of the total heads of rural families, could do very much.¹⁴⁶ As long as collectivization was voluntary we find the toz, the real co-operative, was most popular but little more than 2% of all peasants had joined them.¹⁴⁷

Could we say with Grottian, however, that the prospects for collectivization were not bad because the village community, the mir, showed some features that recall the kolkhoz?¹⁴⁸ Closer observation shows that the mir was far from being a pre-kolkhoz. It is misleading to say that in the mir the peas-

(145) Yugow, 128.

(146) Prokopovicz I, 7, gives the distribution of rural and urban population, in 1929, as 136.4 and 17.9 million respectively. Counting about 4.5 persons per family, there will have been 30 million heads of rural families.

(147) Yugow, 130, 134.

(148) Grottian, 148.

ant did not have private land: the mir had to distribute the land (once in three, six, or more years) amongst the members of the community, but, this done, the yield was kept individually. Furthermore, even this right of distribution had been challenged in 1906 by the Stolypin reforms, which opened the way to complete private ownership. The joint responsibility of the mir for the payment of taxes had equally been abolished as early as 1903, a generation before the kolkhoz was instituted. And its character, especially as developed in the artel, is far from being a new development of the old mir; the complicated organization of the artel, its continuous concern with political issues, the emphasis laid upon mechanical agriculture, all this made the kolkhoz foreign and inimical to the peasants. Yet we should agree with Grottian that the mir was indeed an institution that did prepare the Russian farmer, in some respect, for the collective system, as individualism naturally was less developed in regions where the mir had played an important part.

Sometimes the character of a kolkhoz was far more old-fashioned than it should be according to the doctrine. When its management was in the hands of local authorities who were themselves a part of the village we may assume that the collective farm was not something strange and incomprehensible to the farmers. But there were many other collective farms of which this was not true, which were managed by strangers, replaced nearly every year by some other unknown official, who had to carry out directions from still higher authorities, themselves not bothering very much about the way things were done, provided they were carried out according to plan. So we may conclude that in the then existing society there was something but not much that had prepared the rural population for the new form of organization. The lack of enthusiasm in joining the kolkhoz is quite understandable and the sacrifice of men, livestock and crops, necessary to push it through speaks for itself.

In later years, however, it appears that the kolkhoz developed in a more flexible way: the main organizational features were the same, yet the differences among kolkhozes grew important. There were many very small kolkhozes, not bigger than the original mir and in many ways recalling the old village community — always with the considerable differences as regards centralised leadership of the broad lines of management — but there were also giant enterprises. Soviet authorities showed enough understanding of local conditions, especially in later years and especially in the Asiatic areas, as to leave tribal organizations unchanged in so far as they were compatible with basic kolkhoz principles. So Schlesinger mentions "a kolkhoz in the Karakul-pak Republic where the field brigades are still identical with the traditional tribal units." Marriage gifts are still given to the bride's relatives, but the women have their own income from *trudodni* and although they are not allowed to eat together with the men, some of them were promoted to link-leaders.¹⁴⁹ How this "inner contradiction" was swallowed is not revealed.

In this regard the Gezira Scheme worked more smoothly. The position of women is not altered, otherwise than by the indirect influence of education. The tenants were and are undoubtedly compelled to grow the cotton according to the prescriptions of the inspectors, but they know that the yield is theirs (after deducting the share of Government and the Companies) and their individ-

(149) R. Schlesinger, "Some Problems of Present Kolkhoz Organization," *Soviet Studies*, II (April, 1951), 327. The example is derived from *Sovietskaya Etnografia*, II, 1949. Some links of this cotton kolkhoz obtain incredibly high yields: 80 q/ha. more than five times the Gezira average.

ual results cannot be marred by the slackness of a neighbour. Moreover the dura crop can be grown by them quite in their own way and so it is with everything else they care to grow, provided they do not use more land than is assigned for the purpose.

The start of the Gezira Scheme was also quite different. The great majority of kolkhoz members felt compelled to join. In the Gezira the farmers offered their land really voluntarily, the experimental pumping stations started as early as 1910, and so the peasants had seen with their own eyes the advantages of mechanical irrigation and ploughing and of a steady water supply which gave them confidence in the system. So when in 1925 the main irrigation scheme was started "there was a very considerable competition to get a tenancy and quite clearly everybody expected a much higher standard of living to result from it."¹⁵⁰

Having found that both experiments in so far are alike that they try to build a system of modern mechanical agriculture upon the basis of a technically little developed, traditional community, we can now go further and compare (1) the organization of the systems, (2) their significance for the individual peasant, and (3) their importance in the national economy.

1. Organization of the systems.

Both in the Gezira and in Russia the initiative was taken by the Government and in both cases the purpose was economic as well as social and political. Another parallel is to be found in that in both schemes there are three partners: the State, the Companies (later the Board) and the tenants in the Gezira; and State, MTS and kolkhozniki in Russia. Their functions are not precisely the same, because the Sudan Government does not only provide the land but the water as well, which is a very important factor in the cost accounts. The task of the Board is, as we have seen, more comprehensive than that of the MTS, as the Board (formerly the Companies) also performs the tasks of transporting, ginning and marketing the cotton.

Although formerly the highest power was in the hands of the kolkhoz members, the actual situation reveals that the MTS, as often as not, together with the chairman and the kolkhoz board organizes the work. So it is in the Gezira: the Companies (Board) and their inspectors are the real organizers, though in the latter years representatives of the tenants have a certain, though restricted influence; but not on the technical side of the job, there they have as little influence as the kolkhozniki have.¹⁵¹ In both cases the daily management is in the hands of strangers: the British inspectors in the Gezira;¹⁵² in Russia the MTS personnel, who usually come from a town, and the chairman, most often appointed by the Party, or at least elected on "advice" of the Party, and not seldom originating from a distant district. Both tenants and kolkhozniki have to grow their crop in the way they are told and do not themselves dispose of the main yield

(150) Quoted in Mr. Gaitskell's letter cited earlier.

(151) In the original draft, the Gezira Local Committee was given the power "to review all matters concerning the operation of the Scheme." In the final Gezira Scheme Ordinance 1950 this paragraph has been omitted. Cf. Official Comment on the Bill, 28.

(152) Some of them are Sudanese nowadays, but that does not alter the fact that these Sudanese inspectors, having been transferred as it were into a different sphere of life, are strangers to the common tenants.

In both systems the significance of the land has decreased and that of capital goods has much increased. This is especially true of the kolkhozes. Originally the landowners received 5% of the kolkhoz income as rent (Decree of 13th April 1930) but this was abolished in the Statute of 1935.¹⁵³ We have already seen, as was not earlier, that in the Gezira the value of the land tends to diminish as well. In both cases the possession of land might be considered as the entrance fee to the new agricultural society. The willingness to enter it depends of course on the results obtained and, indeed during the years that the kolkhozes had fairly good yields and distributions, individual peasants did apply for membership.¹⁵⁴ But this was rather an exception; usually they were, more or less openly, compelled to join. On the other hand the tenants in the Gezira were quite willing to share to participate, although during the very bad years their attitude was, naturally, less eager. But even then "there was little or no trouble in filling all tenancies."¹⁵⁵ The possession of land, therefore, is really very important in good years, when it opens the gates to an advantageous tenancy, but the remuneration of the land as such is only very small in such years, that of management and capital high.

It is interesting to note that there never has been that blind hatred against machinery in the Gezira that is so often met with in a society in transition towards industrialization. Nor has this opposition been too strong in Russia, although resistance was manifest. Stalin stated in a speech in 1934 that it was generally known how unsatisfactorily machines and tractors were used and how negligent rural authorities were in this respect.¹⁵⁶ In 1940 a decree was passed urging the kolkhozes to make use of the MTS. There is still a reaction against the very rapid and perhaps often not very wise extension of machinery in the kolkhoz.¹⁵⁷

This difference in attitude may be explained by the relatively small changes the tractor caused in the Sudan as compared to Russia. The first results of the Scheme were definitely favourable in the Gezira. The tenants saw

(153) Yugow, 163. New members of the kolkhoz have to transfer the right to their land, implements, seed, livestock, etc., to the kolkhoz. Between 25% and 50% of the value of these items is immediately absorbed into the "indivisible fund" and they can get back the rest when they want to withdraw from the kolkhoz, but in money only, which, by reason of the continuous inflation of the rouble, is no great advantage. Cf. Volin, 145-47.

(154) Yugow, 176.

(155) Report G. G. 1932, 104.

(156) Grottian, 149.

(157) It is self-evident that mechanical ploughing is not possible where the soil is not suitable for tractors or deep ploughing. Cf. Propopovicz I, 150. It is curious to compare the use of machinery in Russia and in the Gezira for cotton growing. In the Sudan only ploughing and root pulling is done mechanically. In Russia, however, machinery is much more lavishly used. According to the "Plan de Retablissement et de Developpement de la Culture du Cotton en Uzbekistan durant la periode 1946-53," *Les Chaîers de l'Economie Sovietique*, No. 5, (1946), 46. 80% of sowing and weeding would be done by machinery in 1947, and in 1950, 90 per cent of these tasks were to be done mechanically. It should be noted that cotton was the only crop that reached or even surpassed the norm set for the Fourth Five Year Plan, ending in 1950.

their incomes rise and, furthermore, the influence of machinery on their private lives was not very great. In Russia, on the contrary, the arrival of the tractor meant a great deal more for the peasant; it underlined the new organization that had been enforced on them. The high value laid on tractors and machines for agriculture often came from politicians rather than from agriculturists, and it is the great advantage of the Scheme in the Sudan, and perhaps the most important difference between the Gezira and the kolkhoz, that in the former politics never played a great part, because two private Companies managed the work and saw that it was done as efficiently as possible, while in Russia practically everything done had its political causes and repercussions.

To what extent can the kolkhoz or the Gezira Scheme be called a co-operative? Both have certain features in common with a co-operative: the income of the individual peasants is in both cases for a great part dependent on the yield of the organization; the general assembly is officially — as we have seen — the highest authority in the kolkhoz, and the tenants' representative body has less official power but certainly some influence; the kolkhoz account is open to the members and to their criticism and so, also in the Gezira, the tenants may investigate the joint account and the tenants' account. But both organizations have not the primordial hallmark of the co-operative, that it works by and for its members, who join out of their own free will. The management of kolkhoz and Scheme is beyond the peasants, and, even if they have a certain say in some parts of the business, it cannot be denied that the main lines of conduct are laid down by others: State and Party in Russia, Government and Board (formerly the Companies) in the Gezira. Furthermore, in a co-operative land and capital should belong to the members but in both the systems we are dealing with, it is the State who possesses both. Theoretically this is not quite exact: in the Gezira the State rents the land and is not the official owner of most of it, but we saw that this lease has almost the consequences of ownership. For the kolkhoz the statement is correct, for, although the peasants when entering the kolkhoz had to give up their land, it was not the kolkhoz who became the official owner, but the State. There does exist real kolkhoz property: livestock, big implements, barns, etc., while small implements and houses still are the private property of the members.¹⁵⁸ Machinery belongs to the State (MTS in Russia, Gezira Board in the Sudan). But whatever common property there may be in the kolkhoz, the members are not able to decide much about it. They cannot sell it or dispose of it without the approval of higher authorities, they have to make reservations according to plan; briefly they have to do what they are told without being able to make much comment except on details. And in the Gezira it is much the same, although one may expect a gradually growing tenant influence, when they have learned to run their own show.

The stress laid by Soviet authors¹⁵⁹ on the co-operative elements in the kolkhoz is not very correct theoretically but in practice it is altogether wrong. Prokopovicz, who is not a Soviet writer, makes a different statement: "Der Kolchos ist seiner Natur nach eine von einer Konsum oder Produktivgenossen-

(158) A. Arakelian, "La propriete socialiste en URSS," *La Documentation Française*, November 16, 1950, 1-8, translated from *Voprossy Ekonomiki* of July 1950.

(159) Laptev states: "The kolkhozniki are the legitimate owners of the common exploitation of the artel." But he does not say that they are the owners of the artel.

schaft grundverschiedene Organisation; ein eigenartiger Versuch einer staatlichen Organisation der Landwirtschaft, ein Experiment, das den wirtschaftlichen Unternehmungsgeist und das persönliche Verantwortungsgefühl der im Kolchos vereinigten Bauern vernichten und sie zu einfachen Arbeitern eines staatlichen Kollektivs umwandeln möchte, die ihre Arbeit aus Furcht vor Kriminalstrafen tun."160

I think that this is not correct either; it neglects the elements of idealism in kolkhoz life which undoubtedly are also to be found in it.¹⁶¹ It fails to appreciate the numerous efforts to make the peasants feel their responsibility, but it is correct in underlining the lack of personal initiative that is perhaps not intentional, but necessarily is the result of collective methods. In that way the Gezira Scheme is more realistic: "The scheme is in fact a compromise between the outright nationalization of land and communal farming and the individual ownership by small peasant proprietors."¹⁶² One might say that this organization gives as much room to the private interest of the tenants as is compatible with sound management while, on the other hand, in the kolkhoz the ideal is that private interest is not observed at all. But, as the Soviet authorities are well aware that this ideal is not easily attained, they open the possibility for private interest to play its part. But they do not like it.¹⁶³

2. The significance for the individual peasant.

What does the kolkhoz mean to the Russian peasant and what is the significance of the Gezira Scheme for the tenant? These questions are not easy to answer and they have a complex content.

First, let us consider the political implications. These are more important to the kolkhozniki than to the tenants, as was stated above, but the political consequences, though originally not a primary purpose in the Gezira, appear recently to have become of greater interest. From the quotation with which we concluded the first chapter of this study, it is quite clear that Sudanese political leaders think the Gezira Scheme very important. They consider the reorganization of 1950 a proof of political and economic maturity. They feel that if once the Sudanese Government — and they themselves are taking

(160) Prokopovicz II, 71. "By nature the kolkhoz is an organization fundamentally different from a consumer or producer co-operative; a particular attempt at an agricultural state-organization, an experiment that would try to abolish the commercial spirit of enterprise and the sense of personal responsibility of the peasants united in the kolkhoz and transform them into simple workers in a state collective, who do their work because of fear of criminal punishment."

(161) In Soviet Studies, Vol. I, No. 3 (January 1950), we find a description (translated from Bloknot Agitatora, No. 15, 1949) of the twentieth anniversary of the kolkhoz Plamya (Flame), the chairman of which has been a woman during the whole period. One gets the impression that this kolkhoz has developed into a real working community. Such cases are not common, I believe, because we seldom find such long terms of management. And with chairmen being transferred nearly every year it is not possible to form such a community.

(162) Afzal, 98.

(163) Yet the private plot of household land, some husbandry and a dwelling house are still the constitutional rights of a kolkhoz farmer. (Art. 7 of the Constitution of the USSR.)

an important share in it — is able to perform its task in respect of the Scheme satisfactorily and the Government appointed Board is working as efficiently as the Companies used to, then the Sudanese people have come much nearer to a just claim for full independence. That is true, but it is not yet an answer to the question: what does the Scheme do (and what did it do) to the tenants themselves who did not happen to be political leaders?

The political significance for the individual tenants is rather limited, yet it does exist. In recent years the tenants have obtained their village- and block-councils, where their representatives had some training for political work. The fact that a tenants' strike was possible in 1946 proves that — however little they may have understood what the real issue was — it was possible to organize them for a purpose that was not very far from political. We shall not be greatly mistaken if we hold that the Gezira tenants will be the first rural inhabitants of the Sudan who come to have strong political interests. It might be that at the same time they will realize that they form a very particular group, with very particular interests which easily clash with those of hired labour. Then it is not impossible that we shall witness a struggle of the "haves" and "have-nots" in the Gezira. At the moment, however, the main issue is still the nationalization of the Scheme and that has not yet been achieved, as long as leadership and management are not in the hands of the Sudanese.

In some respects, the kolkhoz serves too as a political training ground for its members. In the general assembly the peasants have the same opportunity of asking questions and getting acquainted with problems not immediately concerning their own household as the tenants have in their councils. The national political meaning of the kolkhoz is certainly not less than in the Gezira, as the Russian authorities found the kolkhoz organization the most suitable way of spreading their ideas among a politically indifferent or even hostile peasantry. The stress laid on this purpose has already been mentioned and the collectivization drive of 1950, not yet in its full development now, will have to mould the peasant mentality so as to please the party leaders. Whether we like it or not but the only conclusion is, that both the tenants and the kolkhozniki have become part of a big organization. That makes it easy for the leaders of that organization to gain a certain influence upon them. It looks more probable that in both cases the organization will win the day, than that the members will lead their own organization.

The social consequences of both experiments are of the greatest importance. We have already discussed the coming up of a new world for the farmers in Russia as well as in the Sudan. In both cases we found that the importance of the new way of life scarcely could be overestimated. For the younger generation all this is much simpler, they have been to school and the fact that they went at all was due to these new organizations. It is possible to doubt the value of Soviet education, as Jasny does, but one thing is absolutely certain; that the school makes the child whether it lives in the Gezira or in Russia, better adapted to its future social surroundings.¹⁶⁴ In this respect it is of no interest whether we like these surroundings or not, but the child has to live there. The strain suffered by their parents who made the transition will not be theirs.

Another valuable asset is the better medical attendance provided under

(164) Illiteracy exists only among the older generation in Russia. Already in 1939, the percentage of illiterates in the age group, 9 to 49 years, was only 10.9, among older people still 59.1, Prokopovicz I, 42. Data for the Gezira has been cited earlier.

both systems. Hygienic measures and the fighting of diseases are good as such but should be accompanied by a bigger production in order to sustain the growing population. In Russia, the continuously growing industrialization gives a sure outlet for every young farmer who is not useful in the kolkhoz: indeed collectivization and mechanisation were undertaken, partly at least, in order to get more hands in the city factories. Whether this purpose has been achieved or not is, in this respect, of secondary interest; it is a fact that Russia has no problem of rural overpopulation. In the Gezira we need not envisage that danger for some time to come either. But, on the other hand, as soon as the tenant population increases, the sons of the tenants who are living now will not be able to find a tenancy. Some extension is still possible but, if the actual irrigation scheme is not fundamentally changed, the number of 20,700 tenancies could not be extended very much. Each tenancy consists, as we have seen, of 40 feddans and the canal system is such that every hawasha of 10 feddans is a natural unit. Therefore, it is not possible to decrease the tenancy. In fact, that would not be wise either, because one of the main features of the Scheme is precisely that it prevents the excessive parcelling out of land. It warrants a certain minimum surface in order to guarantee a reasonable standard of living.

Yet some heresy has already entered the scheme: the number of tenants is not about 20,700 but nearly 25,000 as quite a number of tenants have half-tenancies.¹⁶⁵ This solution seems quite acceptable as long as cotton prices permit a high money income per tenancy, but the position will become difficult when the proceeds decrease as happened in the 'thirties. It is questionable whether the ideal of a proper standard of living then will be achieved for half-tenants. It would be possible, however, to extend the number of tenants by going back to the three-year crop rotation. That would make for 33% more tenancies. If fertilizers are used according to plan, then the disadvantages of shorter resting periods may be counteracted.¹⁶⁶ But then more water would be necessary and the Nile Waters Agreement does not allow for much more than is actually used now, unless the new plans of fuller use of the water through new dams and canals are carried out.¹⁶⁷ However the future may turn

(165) Cf. Mar. Gaitskell's letter, cited earlier.

(166) In 1946, only 3,750 feddans out of 206,000 got fertilizer (80 kg. ammonium nitrate per feddan). A 20% increase in yield is expected from such an application of fertilizer (Report G. G. 1946, 64). In the years following more acreage was treated in this way. In 1950 more than half the area covered by the Scheme was involved (Rep. Sel. Comm., 63). In Egypt 60 kg. of fertilizer is used per feddan and biennial rotation is usually followed; but a minority of progressive landowners follow a triennial rotation, which gives about 20% more yield than the biennial system. The Egyptian system cannot easily be compared with the Sudanese, as it has two crops a year. The yield is extremely high as compared to other countries: in 1939-40, it was 606 lbs. of lint per acre, USSR, 368 lbs.; USA, 238 lbs.; and India, 112 lbs. The average in the Sudan, 1939-49, was 430 lbs.

(167) These would include the elevation of the Victoria lake level by one metre, the digging of a canal through the Sudd, and the building of a dam near the Tsana lake. These huge works will more than double the actual irrigated surface in the Gezira, could provide electricity, etc. But 35 years was estimated as the interval needed to complete these projects and cost estimates have not yet been made. The Economist, July 31, 1948.

out, the fact remains that, although there is by no means real overpopulation, it is hard to get a tenancy nowadays. On the other hand it is also difficult to get sufficient hired labour.

The situation thus seems to be that in the Gezira the number of tenants or would-be tenants is too great, but the number of workers too small. We have already discussed the social and economic differences between the settled tenants and the labourers. The high cotton prices of recent years have done nothing to mitigate these differences, on the contrary they have likely widened them. So we find that the Scheme, working at its best, is able only to provide good incomes for a rather small group of tenants, while nothing is or can be done for the much more numerous group of mainly temporary workers, who are partly not even residents. The tenants are employers. They are supposed to have some aptitudes for management, be it in a modest way and within the rather narrow limits set by the agricultural inspectors; but yet they are no ordinary workers as are most of the *kolkhoz* members. Therefore, if we compare them to the *zveno* or brigade leaders, I think we are more correct. Yet there is a difference: these *kolkhoz* foremen have attained their place by excellent work (or perhaps Party influence) and are appointed out of their equals, while in the Gezira the tenants owe their leading position most often to the fact that they possess some property or have been appointed by owners, more seldom to the excellence of their work as farmers. In any case, the gap between tenants and their hired labour seems rather large.

This is undoubtedly a weak point in the fundamental organization of the Scheme. A solution may be found perhaps if more work is done mechanically so that there are not such high seasonal peaks of employment, and the farm workers become a permanent feature of the village community.¹⁶⁸ But although in Russia more work is done mechanically, that is no proof that it is possible in the Gezira as well, because the long staple cotton is difficult to pick by machinery.¹⁶⁹ The social and economic improvements which have for long been carried out for a long time already in the Gezira and which include, apart from better education and medical care, town planning for instance, the provision of wells for drinking water, the organization of livestock exhibitions, the opening of boys' clubs and libraries, etc., will be hampered in the long run if no solution is found to the problem of increasing differentiation between tenants and workers.¹⁷⁰

Just as in the Gezira, we see great activity in many Russian *kolkhozes* to improve the conditions of living. The new slogan of combining *kolkhozes* for greater efficiency is usually advertised as the new force to start the provision of many amenities of life: Pavlov tells us about the cotton *kolkhoz* "Stalin" in Tadzhikistan.¹⁷¹ After merging with two neighbouring *kolkhozes* it was able to

(168) G. G. Report 1932, 106, ascribes the high criminality among the seasonal workers to the fact that they come without their families, and need not fear the loss of reputation.

(169) Tothill and March, "Jute for the Sudan?", *Great Britain and the East*, January 1948.

(170) G. G. Report 1938, 100-102; G. G. Report 1947, 168.

(171) "Le regroupement des *kolkhoz*," *Etudes Soviétiques*, August 1950, 73-79. The new *kolkhoz* comprises 997 families who privately possess several hundred bicycles, 75 motorcycles and 4 cars as well as 190 radio sets. There is electricity. *Kolkhozniki* receive 1300 copies of newspapers. There are 8 schools with 1,148 pupils, 6 clubs and 6 libraries.

expand its production considerably and was thus able to bring many things within the reach of the kolkhozniki which they could not get before.

Although a cotton kolkhoz, as we saw, will receive for its deliveries proportionately high prices and, therefore, can do more for its members than a grain kolkhoz, yet it cannot be denied that in every kolkhoz the tendency to provide a better living for all the members exists. Apart from this effort to improve the general standard of living, however, there is a definite tendency to differentiation in individual remuneration, not only through the premium system, but especially because of the different grading of work: MTS personnel, kolkhoz managers, agriculturists, brigadiers, and the like make a much higher income than ordinary kolkhoz members.¹⁷² According to a computation made by Jasny the income-differentiation in the village is greater now than it was when the kulaks were still the "rich" farmers living in the same village with ordinary peasants.¹⁷³ However this may be, more important perhaps than these differences in income are the human differences: formerly the village was to be regarded as genuine community, nowadays the number of strangers is much larger. This is exactly the purpose of the Soviet authorities, they want to efface the differences between city and country, they hope to form one type of socialist worker. So we find that the differentiation caused in the village tends to bring about a leveling within the State as a whole. Here we find a difference with the Gezira. However important the Scheme may be, not only for the region itself but also for the national economy of the Sudan, it is a local project with mainly local results and consequences. The scope of its influence is, therefore, much more restricted than that of the kolkhoz system which affects the whole of Russia.

Still another difference in the social sphere between both experiments has to be mentioned. In the Russian system the position of the woman is, in principle, the same as that of the man. And indeed, we find the same duties imposed on both sexes, but they also have the same rights. We find that even in the rural section many women have obtained a leading position: not less than 66% of all zveno (link) leaders were women and 60% of all shockworkers. But they have not (or not yet) attained the higher positions in the kolkhoz: only 19% of the brigadiers, 6% of the agriculturists and 2.6% of the chairmen were women, according to Yugow.¹⁷⁴ In the Gezira we can, until now, look in vain for the counterpart of this development. Of course, the circumstances cannot easily be compared. In the Muslim world the position of the woman is not lightly changed, and the increasing percentage of girls in elementary and secondary schools may be considered a great achievement in itself.

We should not, moreover, admire this social change in Russia without reserve. One of the principal reasons of the elevation of the position of women is that their labour was badly needed. Jasny explains how much work must be done by a housewife, who, besides her manifold tasks as housekeeper and mother, has to work her minimum of 100 days on the kolkhoz fields and who on top of that is supposed to look after the private plot of land and the animals. She works not less than 72 days on her own ground and her husband only 19. So we find that she has to pay for her equal rights.¹⁷⁵

(172) Yugow, 167-68; Jasny, 284-85.

(173) Jasny, 704-5.

(174) Yugow, 170, 181-82. (These figures refer to 1937.)

(175) Jasny, 393-95.

In the third place, we should consider the economic results of both schemes for the peasants. I do not think that it will be possible to give definite figures in comparison and, as has been explained before, I believe that this is not even desirable. We had better compare the shares obtained by the partners and the economic results of both systems on their own behalf in order to find whether they have worked well or not. Further we may compare general features such as working hours, economic safety, remuneration of quality, etc. If we compare along these lines, it will be a comparison of systems and of possibilities within these systems, not a comparison of actual incomes. Then it is of secondary importance that we have to compare a grain kolkhoz with a cotton enterprise, and that the results obtained in each case do not apply to the same year. The latter objection, however, does not seem of very great importance, as the pre-war period in Russia was a relatively prosperous one (see index numbers in the table cited earlier), just as are the post-war years in the Sudan.

The main difficulty in stating what share of total production goes to the kolkhoz peasant lies in the fact that he has a share income and not a proportionate income as the Gezira tenant has. If we make a computation of the average over the years 1937, 1938 and 1939 according to the figures given by Jasny then we find that the grain yield is divided as follows:

	Per Cent
State (deliveries and seed returns)	16
MTS	16
Voluntary sales to the State, co-operatives or <u>kolkhoz</u> markets	5
Costs and reserves (seed, fodder, insurance, indivisible fund)	33
Distributed on <u>trudodni</u> to <u>kolkhoz</u> members (incl. about 1% reserves for orphans, old people, etc.)	30
	100

From the total cash receipts for deliveries and sales the kolkhozniki received 53%.¹⁷⁶ This cash amount was about equivalent to 15% of the kolkhoz members' income in kind in 1937 and 30% in 1938.¹⁷⁷ If we consider the percentage of the gross production going to the kolkhoz workers then we may add thus between 15 and 30% of the 30% mentioned above, which makes the total between 35 and 39%. Yet we have still to subtract the cost of the compulsory milling of their grain, being 10%. So the original 30% becomes 27%; adding the value of the money income we find a percentage of between 32 and 35% — say 35% — of the gross production.¹⁷⁸

(176) According to Jasny in 1938 it was 52.4% (p.687). In *Les Archives Economiques et Financieres*, January 15, 1948, the figure, 53% is mentioned presumably for the same year.

(177) Jasny, 692.

(178) It does not seem correct to deduct the 1% for orphans and other destitute people as they are always supposed to be sustained by the village, in Russia as well as in the Gezira. So it is to be considered as real income for the kolkhozniki. The milling percentage may be regarded as an extra tax. (Jasny, 692).

This is, however, not yet the final result. If we want to know the share of the common kolkhoznik: the cost of management, supervision and administration (the Company's or Board's share in the Gezira) is included in the 35%, as the chairman, agriculturists, bookkeepers and other specialists have to be paid out of the trudodni as well. These overhead costs have to be estimated at 30%, at least, of the totally earned trudodni, which gives a final figure of roughly 25% of the gross production to be distributed to the ordinary kolkhoz peasants. As we have seen that it was necessary to take "averages" several times, it is clear that this percentage will leave a broad margin above and below our figure.

How is that in the Gezira? The 40% which the tenants receive is not their net income, as they have to pay for their hired labour and for the ploughing, etc., done by the Companies. If we accept the computations made by the SPS and if we assume that the tenant and his family work, the payments to be made by them amounted to £E 55 in 1949, being about 22% of their money income of £E 245.¹⁷⁹ That means that their actual share is not 40% but 31%. If they do not work their costs are £E 25 higher and their actual income is 27%. It does not seem necessary to subtract any contributions made from the tenants' share to the Tenants' Reserve Fund, because this money is not set aside for the extension of the irrigated area or the purchase of capital goods (as is the purpose of the kolkhoz reserves), but is used only in order to raise the tenants' income in bad years.

So we may conclude that the tenants receive a bigger slice of the gross production than the kolkhozniki, notwithstanding the much larger amount of capital sunk in the Gezira Scheme than that spent on the kolkhoz. The provision of water is a costly affair and it is understandable that the Sudan Government should receive 40% (including tenants' taxes). It receives besides 20%, for since July 1, 1950 the Companies were succeeded by the Board, being a Government institution. From the tenants the Board still gets 3%¹⁸⁰ (ploughing and seed costs, etc.) so the grand total received by the State is nowadays 63%. It should be kept in mind that social development has to be paid out of the Board's revenues, a payment that is met in Russia out of the kolkhoz reserves. The total payments made to the State are in Russia 16% out of deliveries and 16% for the MTS work, altogether 32%. But we have to add the large percentage of costs, and social development 33%, as this element is included in the Gezira Scheme in the 40% respectively 20% for Government and Board. In fact it is the State who finally decides what part shall be reserved for capital expenses and possible extensions and to make the comparison more correct, we should compare the 63%, finally going to the Sudan Government and Board with the 65%, being the share of State and MTS reserves included.

So we are entitled, I think, to make the comparison shown at top of page 209.

This comparison does not pretend to be more than a rough estimate, but it shows that the cost of management and administration in the Gezira is rather high, while in the kolkhoz mechanical cultivation is more expensive, although more mechanical work is actually done by the MTS than by the Gezira Board. It also shows that the share of the State is in both systems approximately the

(179) Cf. computations SPS, Sel. Comm. Rep., 39-48. In this money income the advances (about £E 45) are included.

(180) From the 9% (balance of 40% and 31%) mentioned above 6% goes to hired labour and 3% to the Board.

KOLKHOZ	%	GEZIRA	%
STATE: 1. directly: taxes, ¹⁸¹ deliveries minus payments, seed returns, rent	16	STATE: 1. directly: taxes, rent, irrigation	40
2. MTS: mechanical ploughing, seeding, har- vesting, etc.	16	2.(a). Board: mechan- ical ploughing, seed	3
3. Kolkhoz: capital re- serves, seed, fodder, so- cial development.	33	2.(b). management, ad- ministration, social de- velopment, reserves	20
	65		63
WORKERS: 4. administration, management	10	WORKERS: 3. temporary labour	6/10 ¹⁸²
5. ordinary peasants, incl. semimanagement (zveno-leaders)	25	4. tenants (semi- management and ordi- nary work)	31/27 ¹⁸²
	35		37
	100		100

same, notwithstanding the heavy costs of irrigation in the Gezira. This seems to prove that the Russian system is less efficient, or that the kolkhoz peasants are more heavily taxed, for the benefits derived from social measures do not account for the difference. Furthermore, it shows clearly how well off the tenants are, earning so much for their rather modest semi-managerial work. We should not forget that 1949 was a year with very high cotton prices; when prices are relatively lower more has to be paid for hired labour, mechanical ploughing and other costs.

Apart from their income directly derived from the organization, both peasants and tenants have a revenue out of their private farming. This means much to both groups. For the kolkhozniki it seems to be about equal to their first income,¹⁸³ it is certainly more than a subsidiary source of income as it is called officially; and for the Gezira tenants it was much less in 1949, but it was nearly their only income in 1932. But even then they were content to be a tenant, according to the Report of the Governor-General, because "their annual receipt of cash rent, their free and guaranteed *dura* crop, their cash advances through the cultivating season, and their drinking water laid on are a source of envy to their neighbours outside the scheme."¹⁸⁴

The safety of the food crop is a very strong feature of the Scheme, although it only appears to be so in bad years.¹⁸⁵ Compared to the peasants on the col-

(181) Includes milling costs. These costs will be slightly more than the payment made for the grain deliveries, so the total of 16% may be sustained.

(182) Depends on whether or not the tenants share in the ordinary work.

(183) Jasny, 699.

(184) G. G. Report 1932, 104. Though they did not receive cash payments, the advances, given to pay for current expenses, seem to have been a little more than they needed for the purpose.

(185) Moreover the tenant does not pay any taxes, as these are included in the

lective farms, however, the tenant does not make much out of his private land and it seems probable that an energetic tenant could obtain some £100 or £140 more on top of the £165 — £190 he gets for his cotton if he wanted to fully use his opportunities. Here we see that need compels the kolkhoz household to work harder to enlarge the family income, but that the tenant does not feel that necessity.

Stability of income is neither in Russia nor in the Gezira very great, yet it seems to be even more fluctuating in the cotton fields than in the grain areas. If we compare the table of incomes cited earlier we find very important changes, but none so great as in the graph¹⁸⁶ showing the cash payments to the tenants, varying from nil to £E 189. Yugow stresses this point, saying: "he (the kolkhoz peasant) knows that since their consolidation (i.e., of the collective farms) there has not been a single disastrous crop failure," while before the revolution there were at least two in every decade.¹⁸⁷

Does the peasant receive more now than before the collectivization? Generally the answer is, Yes. Yugow, who seems to be a fairly impartial critic, gives the following appraisal of the standard of living: "The average kolkhoz member still lives by hard labor and leads a meagre, although gradually improving, existence. But during the years the kolkhoz system has demonstrated its potentialities for providing a high standard of living to all its members."¹⁸⁸ If we replace "high" by "somewhat higher," I think the truth is perhaps more nearly approximated. Jasny, who is no optimist, comes to the conclusion, that the total average income of the ordinary rural population on the contrary had decreased by 20% (the average of 1937 and 1938 compared with that of 1928). This follows, according to Jasny, not only from the computed figures of the incomes and expenditures in kind and money, but also from the smaller purchases of industrial goods.¹⁸⁹

Whether or not the kolkhozniki have gained by the experiment — the value of the social benefits seems underestimated by Jasny — it is certain that they

40% for the Government. The kolkhoznik, however, has to deliver a rather important part of his produce to the State, even if he happens not to have grown it (Jasny, 377-80). This obligation is particularly heavy in making meat deliveries. According to Jasny it would be about 25% of production, if there is enough fodder, which there usually is not. What remains for the kolkhoznik's family is no more than 10 kg. per head (which still is twice the English ration). But, if the kolkhoznik for some reason did not have any meat to deliver, he has to buy it at high free prices and sell it to the State at low State prices. The same applies to deliveries of milk, eggs, vegetables, etc., though less (about 13%) potatoes and vegetables have to be delivered.

(186) Rep. Sel. Comm., 70.

(187) Yugow, 176. The premium system, however, makes for even more pronounced fluctuations, since when the crop is good the farmer receives not only a good income but what amounts to a bonus. In bad years the system works in reverse: meager income and no premiums. The Gezira Tenant's Reserve Fund works in the opposite way.

(188) Yugow, 183.

(189) Jasny, 702-4. The decrease is only 10% according to his computation, if the higher incomes of tractor drivers, chairmen, brigadiers, etc. are also taken into consideration.

have to work harder now, especially after 1942 when the minimum number of days was raised from 80 to 120, and in the cotton kolkhozes from 100 to 150. The working day is long in agriculture. The order of 1st August 1940 prescribed working days during the harvest to start at sunrise and to last for 16 hours. Horses work in shifts, for men that is not necessary. For fall-ploughing days starting at 4 o'clock in the morning were recommended to go on until 8 in the evening, making 12 working hours net.¹⁹⁰ This is rather a great difference if we compare it with the work of the tenant, who for his supervision alone receives a decent remuneration.¹⁹¹ As regards the Gezira, it is quite certain that the standard of living has increased considerably, but also that this increase was moderate during the 'thirties and big only after the war; for Russian agriculture it seems questionable, although the potentialities, as Yugov puts it, have been demonstrated. But the development of the kolkhoz has not been very quiet. When it seemed that a period of consolidation had begun in about 1937 and 1938, the war intervened and made a thorough appraisal of collective farming impossible. The continuous modifications of collectivization policy caused a further hindrance to quiet development.

Some more features, typical for both systems, affecting the peasant economy, may briefly be discussed. First, the yearly payment of income. This is of course not exceptional for agriculture, but in these cases it is not a straightforward sum, paid for a definite crop, but the final result of complicated computations, paid a long time after the crop has been delivered. In the Gezira, this has been eased by paying immediately for the amount of cotton delivered, according to *pro forma* prices, while the "appreciations" are paid out afterwards. The usual computations are much too complicated for an ordinary peasant, either in the Sudan or in Russia, which gives rise to an element of uncertainty, easily growing into distrust. The tenants' strike of 1946 should be explained partly in this way.

A second typical feature is the stress laid on quality, especially in the Gezira, where the cotton is graded in 6 qualities. The tenant who gives proper care to his crop will receive a better price. The virtues of this system seem self-evident. In the USSR, however, it is only in recent years that a "quality-drive" has set in.¹⁹² It is well known how difficult it is to improve the quality of agricultural products, how much care, continuous work, and interest are necessary. If an organization is able to improve quality one should respect the agricultural advisers. It seems that the Gezira in this respect has a longer record than the USSR. This brings us to the next point. The emphasis on personal responsibility is fully and naturally developed in the Gezira, where every tenant receives payment only for his own crop. We have seen the struggle in the USSR to attain a higher level of personal responsibility. The *zveno* system together with the premiums should secure it, but the new developments will have to rely more heavily on idealistic motives.

And to what extent does there still exist personal freedom, economically speaking? Suppose, that one wants to leave the organization. How can it be

(190) Jasny, 397-400. In the Constitution of the USSR (Art. 119) an eight hour work day is established for office and factory workers, with possible reduction, in arduous trades, to 7, 5, and 4 hours. Vacation with full pay is guaranteed. This does not apply to agricultural workers.

(191) If he neglects his tenancy he may be removed from it, which, as we have seen, does not often occur.

(192) Kiraev, *Soviet Studies*, Vol. I, 265; Jasny, 290-92.

done? In Russia it is practically impossible: the land given to the kolkhoz remains its property, at best (if the authorities agree) one could join a kolkhoz elsewhere, but the private plot of land will probably not be very good and it is hard to get a new house. In practice this eventuality does not often arise. So the "tyrannic bond with the soil," so hated by Arakelian, still exists in Russia and it is not even his own soil that keeps the peasant. Simple economic reasons and perhaps the recollection of what was his former property bind him to his kolkhoz. But if he likes, he may go to the city. And indeed, there has been a steady stream of peasants going to the factories. So, if they want to leave the collective farm, they can go, provided they do not expect to become a farmer elsewhere.

In the Gezira the way to the city is not so easy. No formality or difficulty whatsoever will keep the tenant on his hawasha, but where should he go? In good years it is clear that nobody wants to leave, but even in bad years the tenants remain where they are. Even in 1932 after three very meagre years "there was no wholesale exodus of tenants from the Scheme. It must be remembered that indigenous tenants have no alternative means of livelihood, . . ." ¹⁹³ There are no industries as yet in the Sudan, but, as we have seen, the standard of living has risen greatly in the Gezira and the tenants would not find many places where they could live better and more easily than in their own area. Yet sometimes, though very rarely, even in good years, tenants give up their tenancy, in order to become traders, for instance. ¹⁹⁴ That seems to be still better, but it requires some capital, and after one or two good years, the tenant has enough to start. Then he has won back his liberty to do his work as he likes, which he did not have as a tenant. But nobody worries: there are plenty of farmers who quite willingly take his place in order to enjoy the advantages of the Scheme. So, though the tenant is perfectly free to leave his cotton fields, the economic surroundings are not actually inviting to settle down elsewhere. In Russia, on the contrary, the usually higher income level of city workers and the amenities of city life have always had some attraction, especially for the younger generation and induce some to leave the collective farm. To settle down elsewhere as a peasant is very difficult, not to say impossible. In the Gezira it is very simple, but not attractive.

3. The importance for the national economy.

How did these two new systems affect the national economy? For the Gezira this question is not very difficult to answer: before the irrigation there were practically no cotton exports from the Sudan, and now cotton from the Gezira makes for more than half of the total exports, which have increased during the second quarter of this century from about £E 4 millions to £E 33 millions. Part of this increase is certainly due to monetary changes, but a very substantial addition to the national income has been made, nevertheless out of the total revenue in the national budget in 1947 of £E 10 million not less than 27% was due to the Scheme. We saw that success has not been easy and the Sudan Government has to be congratulated for the perseverance and foresight shown during unfavourable years. There were great risks and heavy losses during the thirties.

There is no such general agreement as regards the merits of the collective farm system. This is certainly due, partly at least, to a certain bias among the critics; but even he who tries to make an objective appraisal will

(193) G. G. Report 1932, 104.

(194) Tothill, 772.

find his way strewn with difficulties, mainly because of the lack of reliable statistics. One thing may be accepted beyond doubt: the results of so many tractors, machines, and the efforts of organizing talents have not been astonishing. Jasny draws a very brief conclusion: "Everything can be summed up in a Russian saying: A mountain yielded a mouse."¹⁹⁵ We should not forget, however, that he is not only no friend of the Soviet regime, but also started his very thorough study on Russian agriculture with the axiom that the family farm is the most efficient type of farm. I think that we had better not consider this statement as a real axiom: the story of the Gezira proves the contrary. For, although the family is still the essential unit there, one could not argue that the enterprise as such is that of the family farm. Its organization and management are far beyond the limited scope of the simple farm and in the Gezira farming is undoubtedly a large-scale enterprise, working according to scientific methods and with plenty of capital. A quite different example of large-scale farming is to be found in the highly efficient rubber, sugar, tea, and coffee plantations in the tropics, the results of which compare very favourably with those of family farms.¹⁹⁶

Even Jasny, apparently doubly biased against kolkhoz successes, finds that the production per head increased between 1928 and 1938 by about 30%, which is much less than the Soviet assertion that it should have multiplied 6 or 7 times.¹⁹⁷ Because of the war and the extensions of arable land during and after it, it is difficult to ascertain how much the production per head changed between 1938-1950. One thing is certain that the agricultural norms of the Fourth Five Year Plan have not been fulfilled (except for cotton, which even surpassed the norm of 3,123,000 tons by more than 609,000 tons). For grain the norm had been set at 127 million tons and no more than 124 million were

Total Population (million)	Percentage of rural population	Grain production (million tons)	Productivity per head of rural population (index 1928 = 100)
1928 - 154	82.1	88	100
1938 - 170	67.2	95	118
1939 - 170	67.2	107	133
1940 - 193 ¹⁹⁸	---	119	---
1950 - 195 ¹⁹⁸	62	124	146

(195) Jasny, 441.

(196) J. H. Boeke, *Ontwikkelingsgang en toekomst van bevolkingsen ondernemingslandbouw in Nederlands-Indie*, 1948, 92-103.

(197) Jasny, 416-19. Jasny's assertion that the 30% ought to be reduced by the amount of fodder formerly used by the horses who have been replaced by tractors does not seem to be correct, because the full amount of grain is available now, exactly because of the mechanization. Of course the 30% increase does not guarantee any increase in the real income of kolkhozniki (Jasny ascertains that in 1937-38, the years when the best prices were paid, this payment "was little more than 40% of the corresponding income of the rural population before collectivisation," p. 390; and we saw that indeed only during some years enough food was distributed) but we are discussing the effects on national production.

(198) New frontiers. Jasny gives a much higher figure for 1950 (without mentioning his source, however), namely, 205 millions. "Soviet Grain Crops and Their Distribution," *International Affairs*, 1952, 456.

harvested.¹⁹⁹ This means 5 million tons more than in 1940, when the population (in its new frontiers) amounted to 193 million. During the war population decreased to 180.5 million (in 1946) and is estimated to be about 195 million in 1950.²⁰⁰ The proportion of rural to city population seems, moreover, to have continued its downward trend,²⁰¹ which would make a careful guess as to increased productivity per head of the rural population reasonable. The grain production is given (except for 1928) as recorded by Soviet Statistics (Yugow, *op. cit.*, p. 138). Jasny, Prokopovicz, Grottian, however, argue that it is much less (10 or 20% less, or even more) as — among other reasons — the crop is estimated, after 1933, on the root, not in the barn. But as the absolute results for this purpose are not so important, this question may be disregarded, although generally these corrections, at least in principle, are accepted. In order to make a comparison possible, the official figure for 1928 of 73.6 million tons of grain has been increased by 20% because of the different method of computation. We then find, using the official figures of population and the rural part of it — assuming that 1938 and 1939 were alike — as given by Prokopovicz (*Russlands Volkswirtschaft unter den Sowjets*, p. 7) that the productivity per head of the rural population has risen in 1939 from 100 to 133, and in 1950 to 146, or, if we assume that the population was 205 million in that year, to 139. The importance of weather circumstances for this sort of computation should never be forgotten, so only results in the long run are of real significance. These seem to confirm higher productivity. To this tentative computation should be added that the non-grain crops have won interest and area since 1939. The cotton results — now being at a level (600 lbs. lint per acre apprx.) with Egypt — show this, so that the rural population is probably engaged to a lesser degree in grain production now than it was before. This would confirm the conjecture of a definitely higher productivity.

Yet the production per ha. is still low as compared with other countries: in 1947 the general average yield was only 10.7 q/ha, being just one-third of the average yield in the Netherlands from 1931 to 1940. If we compare the Soviet results with those of the equally mechanised agriculture in the USA, we find that productivity per man/hour was in the pre-war years about 4.5 times that of the USSR,²⁰² yet the yield per ha. was about the same.²⁰³

Soviet authorities are conscious that their results could be much improved and by a decree of April 1948 the kolkhoz farmer who — in the best grain regions — obtains a yield of respectively at least 24, 26 and 32 q/ha, will accordingly receive the Order of the Red Standard, or the Order of Lenin or will become — highest distinction — a Hero of Socialist Labour.²⁰⁴ So every Dutch

(199) A. Pierre, "Le URSS au seuil du nouveau demi-siècle," *Le Monde*, February 21, 1952.

(200) Prokopovicz II, 138. He derives these figures from N. Voznessensky, "Economie de guerre de l'URSS," official Soviet edition of December 1947. Voznessensky was then President of the State Plan Bureau (GOSPLAN).

(201) According to the census of 1939, city population formed 32.8% of the total and it is now said to be 38% (*Rhein-Neckar Zeitung*, September 23, 1950).

(202) Jasny, 441-42; Volin, 156-57.

(203) USA average, 1934-38, 8.7 q/ha; USSR, 9.3 q/ha. *FAO Yearbook*, 1949.

(204) "Collective Farming in the USSR," *World Today*, November 1948, 470-81.

farmer would be a hero. Indeed, the results of so large a mechanization have been rather poor. In 1938, there were already 483,500 tractors, 130,800 threshing machines, worth 5632 million roubles.²⁰⁵ Production did increase, but not much, while during and immediately after the war, when spare parts and renewals were difficult to get, the quality of the machinery deteriorated considerably which caused unfavorable repercussions in agriculture. It seems very probable that, the peasant being what he is, the chances for really great improvements will exist only when the private interest of the cultivator has somehow been aroused, just as it was in the Gezira.

A serious disadvantage of the Gezira Scheme is its one-sidedness, though cotton is a very profitable crop nowadays, there may come other times when the world market (that is not much dependent on Gezira-cotton, as Egypt produces about ten times as much of the same long staple variety) is less favourable. It is natural that this question has attracted the attention of the Sudan authorities, but a satisfactory solution has not yet been found, and will probably be found only in industrialization, as an alternative crop has similar disadvantages to cotton.²⁰⁶ Here the Soviet Union has definite advantages which have already been pointed out.

Meanwhile there are other problems in the Sudan, springing exactly from the contrary aspect of circumstances: high cotton prices brought about an awkward disproportion between money and what can be bought for it.²⁰⁷ It is curious that in the Soviet Union similar difficulties seem to have risen. Consumers goods are still expensive, but it is not possible to obtain everything, so that these will not give a sufficient outlet. Investments other than in a single cow or a few goats are not possible. Needs usually are limited, which makes the desire for all sorts of amenities of life not very strong. "The problem of where the kolkhoz member may direct his savings remains unsolved."²⁰⁸ Yet this problem will not present a major disaster to the peasantry as such. There are not very many collective farmers who find it difficult to decide where to spend their money. There is, further, through schooling, propaganda, clubs, libraries, etc. among the younger people, much more contact with the world outside the village and, therefore, more interest in industrial products than with the older generation. The limited needs, typical for the pre- and early-capitalistic peasant communities, will extend as their horizon widens and they are immersed more and more in the complexities of modern life. This development is certainly to be expected both in the Gezira and in the *kolkhozes*, especially in the reformed ones, where communist influences grow stronger and the *kolkhoz* member is educated into a Soviet citizen. The Gezira shows a similar picture. It is the starting point of Sudanese nationalist aspirations. We

(205) There is not much difference about the amount of machinery, but their rouble worth is disputed. The figure given above is by Jasny who, however, thinks it is exaggerated (p. 716, 721). Prokopovicz estimates the worth of MTS capital goods in 1937 at R. 5,944 million, being 1,121.5 million gold dollars. (I, 74-75). That the results are not up to expectation is rather generally agreed. The fact that much stress was laid upon long working hours equally tends to the same conclusion.

(206) Tothill and March, *loc. cit.*

(207) It is rather extraordinary that in a country where money used to be a scarce commodity, relatively so much of it goes to such a small part of the population.

(208) Yugow, 177.

should fail to appreciate the significance of both systems if we did not recognise the spiritual and social reforms which accompany the technical, economic, and organizational changes.

IV. Conclusion

When we come to a final appraisal of both systems after seeing in some detail how far they are similar and how far they differ, then, I think, that we have to acknowledge as merits in both experiments that they brought something new into agriculture. Both have tackled the problem of how to organize a large-scale agricultural enterprise working among simple, not to say, primitive farmers, without turning all the workers into nothing but farmhands, as is usually done on the big plantations in the tropics.

Yet, if we compare both systems, we cannot but feel a greater sympathy for the Gezira Scheme than for the kolkhoz. The former has the merit of leaving the social system intact and of bringing about the necessary changes gradually. The tenant's family has much wider scope for liberty in their way of living and working than the kolkhoz family has. Secondly, the Gezira system has kept the enormous advantage of the private interest in the natural way of remunerating the yield of the family's work without many complications, premiums, etc., which can only partly correct what is naturally wrong in the kolkhoz.

In the third place the Gezira gives full stress to the peasant's personal needs by allowing him freely to grow his own food crop, raise his own animals, just as he likes, without heavy limits as are common in the kolkhoz. There is this further advantage in the Gezira Scheme: the share given to the tenants (especially if we consider that they pay no taxes) is more generous than the kolkhoz can afford to its members.

Finally, the heavy stress laid on political matters in the kolkhoz makes the experiment as a social and economic development much less valuable. Several of its measures were taken only out of political considerations which in other regards were clearly undesirable.

Is there nothing against the Gezira system? I think that we must recognize that the position of the temporary workers is not satisfactory. In this regard the kolkhoz organization has the great advantage in that it includes everybody who is able to work. That it does so with some force is of course a very important shadow over the sunny prospect of work and prosperity for all. Yet the Gezira system is and must be exclusive. It is exactly one of its main features through which one hopes to prevent rural over-population due to too many people on an arable surface that is too small to support them. A solution may be perhaps the suggestions made above to extend the use of machinery and to reduce the number of workers in order to get a fixed group who may share the benefits derived from the Scheme. Then it might be possible to work every tenancy with the members of the family only, without hired labour.

Yet even if this was technically possible, then the Gezira is then a static system, that cannot be extended without extending the irrigated area. Its rigid subdivision of 40-feddan tenancies makes it extremely inelastic, a disadvantage irrevocably connected with the high standard of living it ensures. It will be necessary to open new possibilities for a growing population, to be found presumably in a carefully planned industrialization. Why not establish textile industries in this cotton area? This might add new possibilities for those who might eventually become a burden on the agricultural population.

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